1·9·9·0 British Columbia Economic & Statistical REVIEW

Fiftieth Edition

Province of British Columbia
Ministry of Finance and Corporate Relations

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Message from the Minister

I am pleased to present this special 50th edition of the *British Columbia Economic and Statistical Review*. The first edition, then called *A Review of the Resources, Production and Governmental Finances*, was published in July 1939.

"British Columbia 50 Years Ago" is a unique chapter dedicated to our past, and highlights the economic climate of 1939 and the preceding two decades. This chapter describes the industries of the time, the population, social characteristics, the Great Depression and the economic recovery. Facts about employment, migration, wages and government complete the picture.

The remaining chapters concentrate on today's British Columbia — the province's regions, provincial government programs and finances, economic growth and development, and demographic trends.

This year's edition also incorporates many readers' suggestions and includes a list of ministry contacts and information on other Ministry of Finance and Corporate Relations publications.

I am confident all those who read the *British Columbia Economic and Statistical Review* will find its contents both useful and interesting.

MEL COUVELIER
Minister of Finance and Corporate Relations

November 1990

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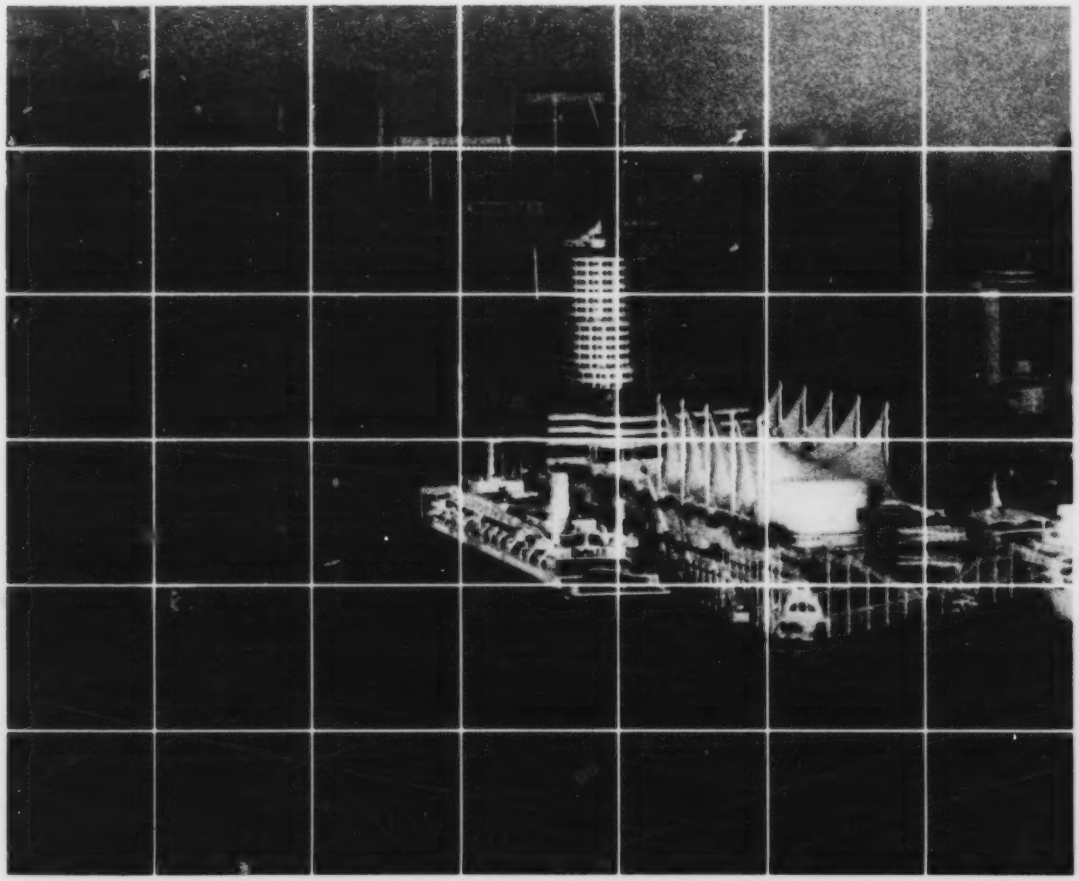
Chapter 1
Economic Review



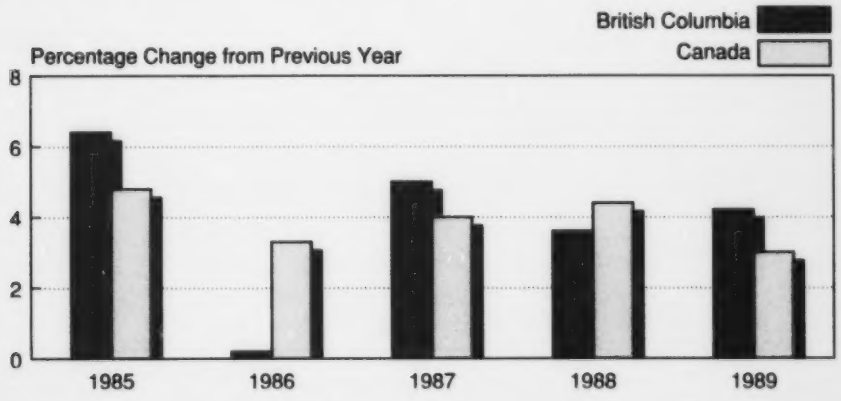
1: Economic Review

Overview

British Columbia had one of the strongest provincial economies in 1989. Overall growth was stimulated by robust domestic demand, including increased consumer spending and capital investment.

British Columbia real gross domestic product (GDP), the value of all goods and services produced in the province, increased an estimated 4.2 per cent in 1989, up from an increase of 3.6 per cent in 1988. This was the economy's seventh year of expansion and the province's third straight year of strong economic growth.

Chart 1.1 Real Gross Domestic Product



Note: B.C. figures based on 1981 constant dollars; Canada figures based on 1986 constant dollars

Source: Ministry of Finance and Corporate Relations. Statistics Canada

Rapid expansion of domestic demand during 1989 was partially offset by a slower pace of growth in the province's export sector. Growth in British Columbia export earnings was dampened by moderate growth in the Canadian and United States economies, weakening commodity prices and the stronger Canadian dollar.

Most provincial economic indicators for 1989 reflect the underlying strength of the province's domestic economy. Employment grew 5.7 per cent, helping push the unemployment rate down from 10.3 per cent in 1988 to 9.1 per cent in 1989. The provincial labour force grew 4.2 per cent in 1989 as strong in-migration swelled the ranks of job seekers.

Population growth, increased employment and higher incomes fuelled a 10.2 per cent increase in British Columbia retail sales in 1989, more than double the Canadian average. Retail sales were also given a boost by continued strength in tourist spending.

Capital investment increased 23.8 per cent in 1989, two-and-a-half times the Canadian increase. This was the third consecutive year of double-digit increases in capital spending in British Columbia. Housing starts increased 27.6 per cent in 1989 to almost 39,000 units despite rising interest rates.

The value of British Columbia manufacturing shipments grew a relatively moderate 2.7 per cent in 1989, reflecting slower growth in commodity exports.

Commodity markets had a mixed performance during 1989. Pulp producers were able to raise their list price from (U.S.) $800 per tonne to $830 per tonne on April 1, 1989, where it remained for the rest of the year. Pulp output rose only 0.3 per cent, however, despite an increase in production capacity.

Newsprint prices weakened throughout the year as consumption in the North American market moderated. Newsprint production rose 1.9 per cent in 1989. Lumber prices fluctuated widely but averaged (U.S.) $185, virtually unchanged from the $187 average price in 1988.

Metal markets were also mixed in 1989 with slower industrial activity causing prices to weaken during the second half of the year.

The booming British Columbia economy, combined with slower business activity in other parts of Canada, resulted in large numbers of Canadians moving to the province to seek employment and business opportunities. Net interprovincial migration totalled 39,459 persons in 1989, by far the largest population inflow among Canadian provinces. Total population increased 2.5 per cent in 1989.

Sectoral growth reflects the strong domestic economy and moderating growth in export-oriented industries. The Ministry of Finance and Corporate Relations estimates that the output of service-producing industries increased 6.7 per cent in 1989, while output from the goods-producing industries rose only 2.3 per cent.

The British Columbia Consumer Price Index (CPI) rose 4.5 per cent in 1989, one-half percentage point below the national average. However, wage settlements accelerated sharply during 1989.

Detailed indicators of economic activity are provided in Appendix 1.

External Developments

Growth in the Canadian economy fell from 4.4 per cent in 1988 to 3 per cent in 1989. This was the seventh straight year of economic growth in Canada since the 1981-82 recession. Expansion in the Canadian economy was propelled by a 3.7 per cent increase in domestic demand as both consumer spending and business investment increased rapidly. Reduced net exports were the main contributor to the overall slowing in economic growth.

Canadian employment grew 2 per cent in 1989, helping push the national unemployment rate down slightly from 7.8 per cent in 1988 to 7.5 per cent in 1989. Inflation in Canada accelerated despite the slower pace of economic activity. The Canadian CPI rose 5 per cent in 1989, a full percentage point above the 1988 level. The national inflation rate was boosted by one-time sales and excise tax increases introduced by the federal government and some provinces.

Strong domestic demand and a rising trend in inflation, together with evidence of mounting wage and other cost pressures, prompted the Bank of Canada to maintain a relatively tight monetary policy, which contributed to high interest rates during the year. The chartered banks' prime lending rate rose from 12.5 per cent to 13.5 per cent early in 1989 and remained unchanged into 1990. One-year conventional mortgage rates averaged 12.8 per cent in 1989, up more than two percentage points from the 1988 average.

The United States economy expanded 2.5 per cent in 1989 compared to a 4.5 per cent increase in 1988. U.S. domestic demand moderated in 1989 while exports rebounded. Housing starts, following a declining trend evident since 1986, totalled only 1.38 million in 1989 compared to 1.49 million starts in 1988.

Japan and West Germany were the two strongest major economies in 1989. Japan had a slight easing in economic growth to 4.7 per cent in 1989, still the strongest growth rate among major industrial economies. Growth in the West German economy accelerated to 4 per cent with population growth, resulting from East German in-migrants, stimulating economic activity. The United Kingdom economy recorded slower growth in 1989, as relatively tight monetary conditions dampened domestic spending.

Significant political changes in eastern Europe had little impact on economic developments during 1989. However, the development of free market economies in eastern Europe and Asia has the potential to influence developments in the world economy in future years.

The British Columbia U.S. dollar-based export commodity price index increased 7.8 per cent in 1989. However, in Canadian dollar terms, the index rose only 3.9 per cent. Although commodity prices were higher, on average, during 1989 than in 1988, most prices peaked at mid-year and have been on a downward trend into 1990 (see also Topic Box in Chapter 5).

Exports

The value of British Columbia merchandise exports rose from $17.4 billion in 1988 to $17.8 billion in 1989, a relatively modest 2.2 per cent increase. Growth in export earnings was dampened in 1989 by slower international economic activity, weakening commodity markets and a stronger dollar.

Lumber and pulp shipments accounted for most of the increase in export earnings in 1989. Lumber exports rose 3.3 per cent while the value of pulp exports increased 9.2 per cent. Newsprint exports rose 2.7 per cent, reflecting an increase in production capacity. Forest products accounted for 56.1 per cent of all exports in 1989. Exports of metallic minerals, which make up 11 per cent of the value of total exports, fell 9.5 per cent in 1989, while coal exports rose 3.8 per cent.

Exports to the United States slipped 2.7 per cent in 1989, reducing that country's share of total British Columbia exports from 42.8 per cent in 1988 to 40.8 per cent in 1989. The stronger Canadian dollar reduced the competitiveness of British Columbia's merchandise exports, compounding the negative impact of slowing economic growth in the United States. However, exports to Japan, British Columbia's second largest export market, rose 8.2 per cent reflecting the strong Japanese economy last year. A slowdown in the United Kingdom economy in 1989 resulted in exports falling 2.1 per cent. Exports to other countries of the European Community, on the other hand, were up 13.8 per cent.

Table 1.1 British Columbia Exports to Major Countries and Market Areas

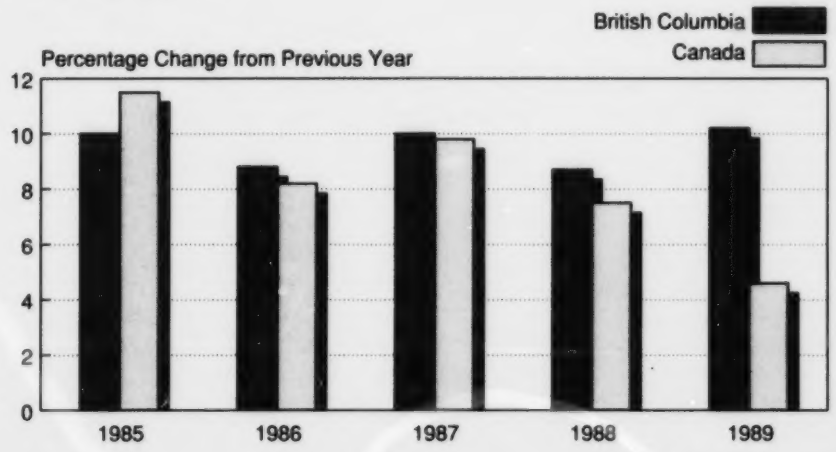
	Value		Change	Per Cent of Total	
	1988	1989	1988–1989	1988	1989
	($ millions)		(per cent)		
United States	7,442.8	7,242.3	−2.7	42.8	40.8
Japan	4,706.1	5,094.0	8.2	27.1	28.7
United Kingdom	804.8	788.2	−2.1	4.6	4.4
South Korea	480.0	682.1	42.1	2.8	3.8
West Germany	491.8	575.4	17.0	2.8	3.2
Italy	352.6	420.3	19.2	2.0	2.4
Australia	320.0	358.5	12.0	1.8	2.0
Taiwan	344.4	325.5	−5.5	2.0	1.8
France	268.4	289.2	7.7	1.5	1.6
Belgium	259.5	283.4	9.2	1.5	1.6
People's Republic of China	270.4	217.6	−19.5	1.6	1.2
Other countries	1,636.5	1,485.4	−9.2	9.4	8.4
Total	17,377.3	17,761.9	2.2	100.0	100.0
Market Areas:					
European Community[1]	2,513.5	2,732.7	8.7	14.5	15.4
Pacific Rim[2]	6,640.2	7,154.5	7.7	38.2	40.3

[1] Belgium, Denmark, Greece, Ireland, Italy, France, Luxembourg, Netherlands, Portugal, Spain, United Kingdom and West Germany.
[2] Australia, China, Fiji, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.
Source: Ministry of Finance and Corporate Relations.

Consumer Expenditure

Retail sales in British Columbia increased 10.2 per cent in 1989, the largest increase among provinces and more than double the Canadian average. Retail spending was spurred by significant increases in employment and incomes, and high levels of in-migration. Increased housing construction also contributed to growth in retail sales as home buyers often purchase new furniture and appliances.

Chart 1.2 Retail Sales

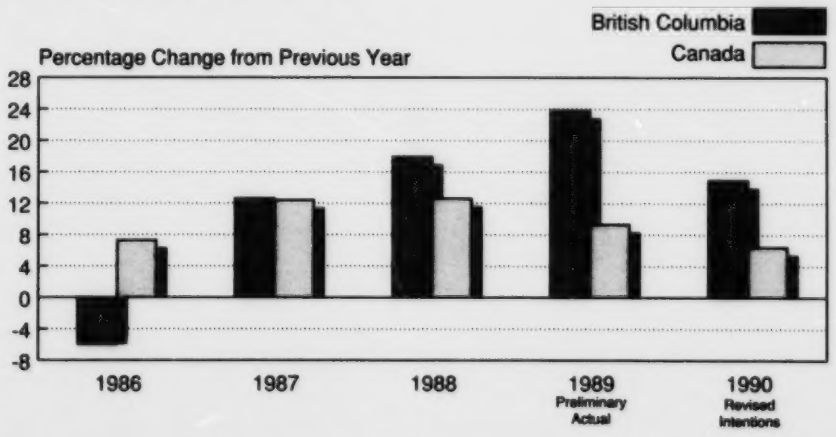


Source: Statistics Canada

Capital Investment

British Columbia also recorded the biggest increase in capital investment among Canadian provinces in 1989 with capital spending rising 23.8 per cent compared to a Canadian increase of 9.3 per cent. This was the third straight year of double-digit growth in capital spending in British Columbia and the largest increase since 1981.

Chart 1.3 Fixed Capital Investment



Source: Statistics Canada

Capital expenditures rose in all major industrial sectors in 1989 with the largest increase recorded by institutions and government departments, which grew 40.6 per cent. Residential investment rose 33.1 per cent, reflecting the 27.6 per cent increase in housing starts in 1989. Investment in manufacturing industries grew 25.2 per cent mainly due to capacity expansion projects in the province's pulp and paper industry. Investment in the trade, finance and commercial services sector rose 14.3 per cent, while the transportation, communications and utilities sector recorded an 11.9 per cent increase.

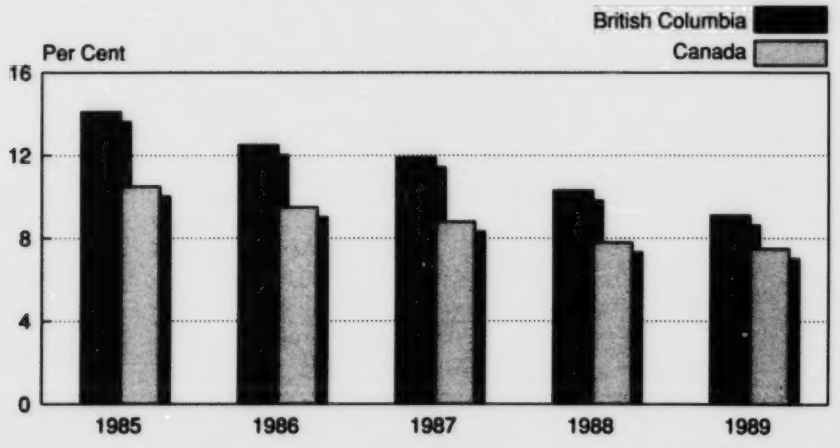
Population

British Columbia's population grew 2.5 per cent, reaching a total of 3,105,700 people at December 31, 1989. Net interprovincial migration totalled 39,459 persons, representing the largest source of population growth in 1989. Net international migration totalled 19,971 persons in 1989, while natural population growth (births minus deaths) totalled 19,830. Large numbers of migrants were attracted to British Columbia in 1989 by the province's strong economy and booming employment growth.

Labour Market Developments

Robust domestic demand was translated into strong employment growth in 1989. British Columbia employment jumped 5.7 per cent in 1989, equivalent to 77,000 jobs. This was also the highest growth rate in employment of any province. The buoyant job market attracted large numbers of people to the provincial labour force, which grew 4.2 per cent in 1989. As a result, the unemployment rate fell from an average of 10.3 per cent in 1988 to 9.1 per cent in 1989. Employment growth during 1989 was broadly based with all major industries experiencing increased employment except the agriculture and mining industries and the finance, insurance and real estate sector.

Chart 1.4 Annual Unemployment Rate



Source: Statistics Canada

In 1989, there were 305 major collective agreements involving five or more employees negotiated in British Columbia, up from 256 agreements in 1988. Major agreements in 1989 covered just over 121,000 employees, down from 182,000 employees in 1988. Wage settlements provided increases averaging 6.8 per cent during 1989, up from the 4.8 per cent average increase in 1988.

Prices and Incomes

Inflation accelerated during 1989, due to the province's above average pace of economic growth. The British Columbia CPI rose 4.5 per cent, up from a 3.6 per cent increase in 1988. By the end of 1989, the province's inflation rate was 5.5 per cent, above the national average of 5.2 per cent. Inflation in Vancouver averaged 4.4 per cent in 1989, while Victoria's inflation rate averaged 4.5 per cent.

Strong employment growth and increased earnings in British Columbia led to an 11.2 per cent increase in personal income in 1989. Average earnings rose 5.4 per cent to $491.63 per week in 1989. Of the provinces, only Ontario had a higher level of average weekly earnings than British Columbia in 1989.

Current Situation

Recent economic indicators suggest that growth in the provincial economy is slowing due to weaker conditions in the North American economy, relatively high interest rates and the strong Canadian dollar. While the weakening external environment is slowing provincial economic activity, the momentum built up after three years of rapid expansion will help ensure British Columbia records at least a moderate pace of economic growth during the remainder of 1990.

Both the Canadian and United States economies experienced slower growth in the first half of 1990. Canadian real GDP grew at a 1.2 per cent annual rate in the first six months of the year, while the United States economy expanded at a 1 per cent annual rate. However, second quarter growth was markedly slower than first quarter growth in both countries, with Canadian real GDP falling at a 1.6 per cent annual rate and the U.S. economy expanding a mere 0.4 per cent. Slower North American industrial activity has resulted in weakness in international commodity markets, although this has been moderated by strong growth overseas. The British Columbia export commodity price index fell 1.2 per cent in U.S. dollar terms between the second half of 1989 and the first half of 1990. In the second quarter, the index was down 1.6 per cent from its 1989 peak.

Canadian interest rates remain at relatively high levels, reflecting the Bank of Canada's attempt to control inflation pressures. However, interest rates began to fall during the summer as demand for credit began to ease. The chartered banks' prime lending rate peaked at 14.75 per cent before falling in steps to 13.75 per cent in September 1990. During most of 1990, interest rates contributed to a higher Canadian dollar as wide Canada-United States interest rate differentials attracted foreign investment to Canada. For example, the spread between Canada and United States 3-month treasury bills averaged 5.84 percentage points in June. By late September, this differential had narrowed to 4.81 percentage points. Nevertheless, the Canadian dollar strengthened as summer drew to a close. This was mainly due to events in the Middle East and Canada's position as a net oil exporter, which reinforced perceptions of Canadian financial assets as a "safe haven" for international investors.

Economic Outlook 1990

Economic Growth Slows

In the budget tabled on April 19, 1990, British Columbia economic growth was forecast to slow to 3 per cent from a revised 4.2 per cent in 1989. Statistics released to date this year confirm that the provincial economy is slowing due to high interest rates and slower growth in the U.S. and the rest of Canada. Economic growth of 3 per cent in 1990 is still forecast for British Columbia, mainly due to strong performance early in the year.

Key provincial indicators have performed as follows in 1990:

Employment Still Increasing

- **Employment** was 2.8 per cent higher in the January to September period than in the same period last year. Although employment growth has been sluggish recently, it is expected to average close to 2.5 per cent for the year.
- The **unemployment rate** averaged 8 per cent through September 1990, lower than the budget forecast of 8.7 per cent and well below the 9.3 per cent recorded during the same period in 1989. This is due to a slower-than-forecast growth in labour force of 1.4 per cent. The unemployment rate is now expected to average close to 8 per cent in 1990.
- **Net migration** to British Columbia totalled 47,031 people during the first three quarters of 1990, a 13.4 per cent increase over last year. This was mostly due to high levels of international migration.
- Total **wage and salary income** in the first seven months of 1990 was 10.1 per cent higher than in the same period of 1989, due to higher levels of employment and wage increases negotiated over the last year. In the first three quarters of 1990, collective bargaining agreements provided average annual wage increases of 6.6 per cent, the same as in the comparable 1989 period.
- While **retail sales** were up 9.7 per cent in the first eight months of 1990, they lost momentum during the summer due to deteriorating consumer confidence. Nevertheless, the retail sales growth forecast of 9 per cent is likely to be realized due to strength early in the year.

Housing Starts Slide

- While **housing starts** rose by more than 35 per cent above 1989 levels in the first quarter of 1990, the rate of growth in the second quarter slowed to 15.7 per cent. Housing starts declined in the third quarter due to high interest rates and slumping sales of existing homes. Overall starts of 38,000 are now projected for 1990, slightly below last year's levels.
- The **capital spending** picture for British Columbia in 1990 remains strong. Although Statistics Canada's survey of capital spending intentions shows that high interest rates and slower economic growth have reduced investment plans elsewhere in Canada, the survey suggests that British Columbia firms still intend to increase capital spending in 1990. The forecast for 1990 investment growth remains unchanged at 12.5 per cent.
- **Export volumes** for British Columbia are likely to grow slowly this year, due to the much stronger-than-expected Canadian dollar. Canadian export data were surprisingly strong in the first half of the year, suggesting that the British Columbia situation may have been better than had been anticipated as well. (Due to changes in data collection methods, comparable export data for 1989 and 1990 for British Columbia will not be available until 1991.)

Inflation Up

- In the January through September period, the British Columbia **consumer price index** rose by 5.5 per cent, compared to 4.7 per cent for Canada. In the budget, the Canadian inflation rate was forecast at 4.8 per cent, while prices were projected to rise 5.5 per cent in British Columbia. Recent events in the Middle East and the rise in oil prices have resulted in revisions to the British Columbia inflation forecast to 5.8 per cent and the Canadian forecast to 5 per cent.

- Canadian **interest rates** remained high during the first three quarters of 1990. The Bank of Canada rate averaged 13.3 per cent while the commercial bank prime rate averaged 14.3 per cent. Interest rates declined slowly during the last two months and this trend is expected to continue. However, continued high wage settlements in key industries, the new goods and services tax, and greater demand for funds from Europe make large reductions in interest rates unlikely in the near term.

Resource Prices Mixed

Commodity prices continue to play an important role in British Columbia's economy. Forest product prices (expressed in Canadian dollars) remained relatively stable during the January to September period. Average year-to-date lumber prices were 3.6 per cent above 1989 levels, while pulp prices were down 1.6 per cent. Most forest product prices are expected to continue to soften over the remainder of the year due to slower economic growth in Canada and the United States.

Prices paid for British Columbia's major metals exports (also expressed in Canadian dollars) declined in the first nine months of 1990, compared to average 1989 levels. Copper and zinc prices were down 7.2 per cent and 5.6 per cent respectively, while aluminum fell 21.1 per cent. Among the major metals only lead prices increased, rising 25 per cent.

Outlook Beyond 1990

External developments mean that the downside risks to the 1991 outlook are now greater than in the April forecast. Economic growth is expected to slow to 1.5 per cent. However, higher-than-expected interest rates, possible Middle East developments and slower economic activity in North America and overseas could result in even slower growth.

In the longer term, recent changes in Eastern Europe may also have a negative impact on the province if interest rates remain high for an extended period due to increased demand for investment funds.

BRITISH COLUMBIA ECONOMIC FORECAST: 1990

	Forecast	
	Budget	Revised
Real Gross Domestic Product (1981 $ million)	55,072[1]	55,072
(percentage change)	3.0	3.0
New Capital Investment ($ million)	17,700	17,700
(percentage change)	12.5	12.5
Housing Starts (units)	40,000	38,000
(percentage change)	2.8	−2.3
Retail Sales ($ million)	25,537[1]	25,537
(percentage change)	9.0	9.0
British Columbia Consumer Price Index (1986=100)	117.6	118.0
(percentage change)	5.5	5.8
Labour Force (thousands)	1,611	1,599
(percentage change)	2.1	1.3
Employment (thousands)	1,471	1,471
(percentage change)	2.5	2.5
Unemployment Rate (per cent)	8.7	8.0

[1] Revised to reflect revision of data.

Although external forces have negatively affected economic activity, the provincial economy continues to grow, albeit at a much slower pace than in recent years. Growth in consumer spending was strong at the beginning of the year, but began to weaken in April. Seasonally-adjusted retail sales fell at an annual rate of 3 per cent between the first and second quarters of 1990. Urban housing starts peaked at a record 68,000 units (annualized) in February and have fallen since then, except for a rebound in August. In the first nine months of 1990, annualized urban starts averaged 38,000 units.

High interest rates have not dampened investment plans. Statistics Canada's mid-year update to its Private and Public Investment Intentions survey indicates capital spending in British Columbia is expected to increase 14.9 per cent in 1990. This increase was higher than indicated in the preliminary survey at the beginning of the year.

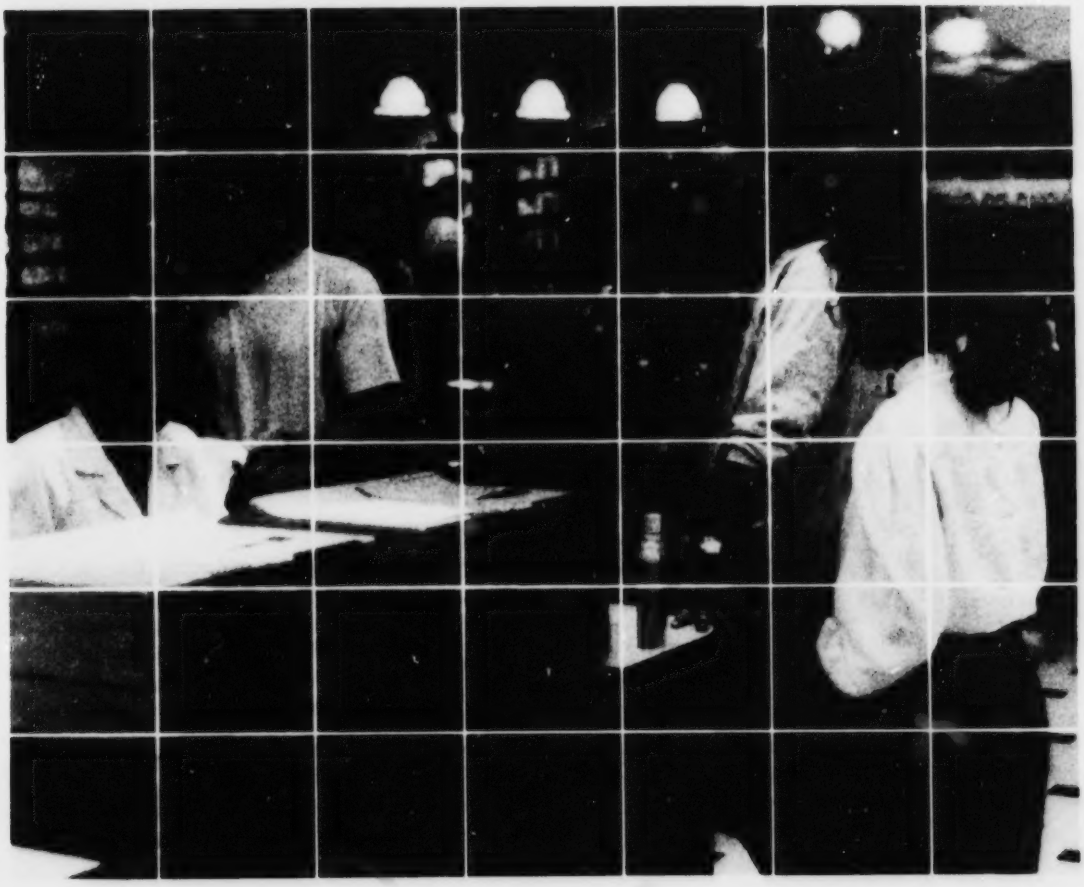
Employment growth has moderated from the rapid increase in 1989. Employment in the first nine months of 1990 was up 2.8 per cent from the first nine months of 1989. The seasonally-adjusted unemployment rate averaged 8.0 per cent in the January to September period of 1990, down from the 9.3 per cent unemployment rate recorded in the same period in 1989.

Despite the economy's slowing trend, British Columbia inflation accelerated during the first half of 1990. The province's inflation rate averaged 5.5 per cent between January and September of 1990, exceeding the national average inflation rate of 4.7 per cent. High wage settlements continue to be a source of concern. British Columbia Ministry of Labour and Consumer Services data indicate wage settlements in the first three quarters of 1990 averaged 6.6 per cent, unchanged from the same period last year.

Finally, there are a number of developments that could negatively affect the provincial economy during the remainder of 1990 and into 1991. A downturn in the economy is already evident in central Canada. The Iraqi invasion of neighbouring Kuwait in early August, and the subsequent turmoil in oil markets, clouds the international economic outlook. The rapid rise in oil prices during August and September may make control of international inflation pressures more difficult and could push weaker industrial economies into a recession. This would further dampen growth in British Columbia.

The risks inherent in higher oil prices are in addition to other forces that could negatively influence the province's economic outlook. The re-emergence of market-oriented economies in eastern Europe, for example, causes uncertainty about international capital flows and the direction of interest rates. In Canada, the introduction of the federal goods and services tax (GST) raises concern about a one-time increase in prices and a short-lived jump in inflation. All of these factors combined lead to an outlook for little economic growth in 1991.

Chapter 2
Financial Review



2: Financial Review

Overview

In 1989/90, for the third consecutive year, provincial government revenue showed significant growth, due in large part to continuing strong economic performance in British Columbia. Total revenue of $13,435 million was up 10 per cent from the previous year.

The 1989/90 budget included a $500 million transfer from the Budget Stabilization Fund to the General Fund. Due to higher-than-expected revenues during the year, excess revenue of $448 million was transferred back to the Budget Stabilization Fund at year end, leaving a net transfer of $52 million. As a result, 1989/90 General Fund revenue was $13,487 million, equal to the budget forecast (see Table 2.1).

Table 2.1 General Fund and Special Funds Summary of Operating Transactions

	Budget 1989/90	Preliminary Actual 1989/90	Actual 988/89[1]
		($ millions)	
General Fund:			
Total Revenue	12,987.0	13,434.8	12,210.0
Transfer (to) from Budget Stabilization Fund	500.0	52.2[2]	(591.9)
General Fund Revenue	13,487.0	13,487.0	11,618.1
Operating Expenditure	13,362.0	13,189.4[1]	11,782.8
Interest payments to Budget Stabilization Fund	125.0	161.0	77.3
Lottery funds transferred to Budget Stabilization Fund	—	—	79.0
General Fund Expenditure	13,487.0	13,350.4	11,939.1
General Fund Surplus (Deficit)	—	136.6	(321.0)
Budget Stabilization Fund:			
Opening balance	1,433.9	1,491.1	742.9
Transfer (to) from General Fund Revenue	(500.0)	(52.2)	591.9
Interest earnings	125.0	161.0	77.3
Lottery funds transferred from General Fund	—	—	79.0
Closing balance	1,058.9	1,599.9	1,491.1
Privatization Benefits Fund:			
Opening balance	302.0	308.5	—
Privatization proceeds	20.0	84.9	308.5
Investment income	—	39.1	12.9
Investment income transferred to General Fund	—	(11.6)	(12.9)
Closing balance	322.0	420.9	308.5

[1] Restated to include valuation allowances and other one-time accounting adjustments.
[2] Includes the budgeted transfer of $500 million, largely offset by excess revenue of $448 million.

General Fund expenditure totalled $13,350 million in 1989/90, an increase of 11.8 per cent from the previous year. Included in General Fund expenditure was a $161 million interest payment to the Budget Stabilization Fund.

The 1989/90 General Fund surplus was $137 million, compared to a $321 million deficit reported for the previous year.

The March 31, 1990 closing balance of the Budget Stabilization Fund was $1.6 billion, up $109 million from the beginning of the year.

The Privatization Benefits Fund had a March 31, 1990 closing balance of $421 million. During 1989/90, the fund received $85 million from privatization transactions, including $60 million from British Columbia Enterprise Corporation's land sales and $17 million from the sale and lease of highway maintenance assets. In addition, the Privatization Benefits Fund earned investment income totalling $39 million, of which $12 million was transferred to the General Fund at year end.

Combined revenue of the General Fund, the Budget Stabilization Fund and the Privatization Benefits Fund exceeded total expenditure by $358 million in 1989/90. Due to this favourable fiscal situation, the government was able to reduce government purpose debt by $711 million. It financed this repayment using surplus cash received during the year and by reducing its cash and temporary investments by $278 million.

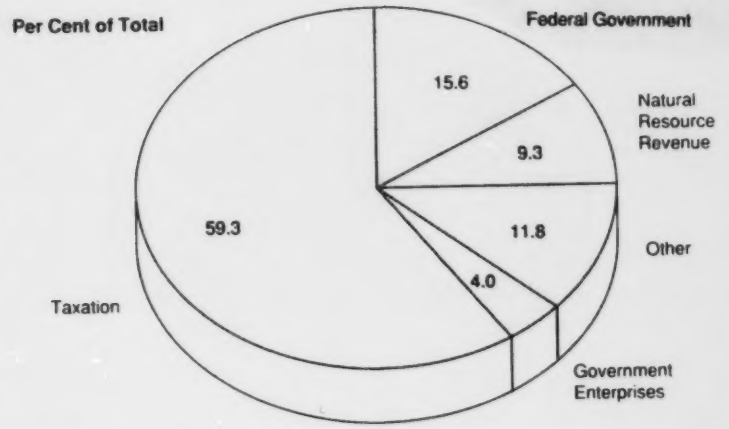
General Fund Revenue

During 1989/90, 59 per cent of total revenue was derived from taxation, 9 per cent from natural resources, 4 per cent from provincial government Crown corporations and enterprises, 16 per cent from federal government transfers and 12 per cent from other sources, including fees, licences and investment income.

Table 2.2 General Fund and Special Funds Financing Summary

	Budget 1989/90	Preliminary Actual 1989/90	Actual 1988/89
		($ millions)	
Financial Requirements:			
General Fund Deficit (Surplus)	—	(136.6)	321.0
Budget Stabilization Fund decrease (increase)	375.0	(108.8)	(748.2)
Privatization Benefits Fund decrease (increase)	(20.0)	(112.4)	(308.5)
Net disbursements (receipts) from financing and working capital transactions	(301.0)	(75.2)	76.5
Total Financial Requirements	54.0	(433.0)	(659.2)
Financial Sources:			
Net borrowing (retirement) for government purposes	(250.0)	(710.7)	(97.5)
Decrease (increase) in cash and temporary investments	304.0	277.7	(561.7)
Total Financial Sources	54.0	(433.0)	(659.2)

Chart 2.1 Revenue by Source, 1989/90



Taxation revenue of $7,969 million was $336 million above the budget estimate and 14.3 per cent higher than during 1988/89. Personal and corporate income taxes are collected by the federal government and remitted to the province in monthly installments based on federal government estimates. Due to greater-than-expected personal income growth in 1989 and a significant prior year adjustment for 1988, personal income tax revenue for 1989/90 was $237 million above budget. Corporation income tax revenue for the year was $78 million below budget. A decline in Canadian corporate profits during 1989 resulted in lower-than-expected remittances from the federal government, partially offset by a favourable prior year adjustment for the 1988 taxation year.

Social service tax revenue of $1,986 million was $134 million above budget and up 15.7 per cent from the previous year. Unexpectedly strong consumer and investment spending accounted for the strong growth in revenue. Fuel tax revenue was $14 million below budget due to lower-than-expected volumes.

Other taxation revenue of $840 million was $67 million above budget and up 19.8 per cent from 1988/89. Property purchase tax revenue, up $69 million from budget, showed strong growth for the second consecutive year due to buoyant real estate markets.

Natural resource revenue of $1,250 million was $41 million higher than budget but down 1.7 per cent from 1988/89. Petroleum and natural gas revenue was up $10 million from budget due to higher sales of Crown land drilling rights. Minerals revenue was down $10 million from budget and down slightly from 1988/89 due to lower receipts from coal royalties. Forests revenue was up $51 million from budget and 2.8 per cent from the previous year, mainly because of higher timber sales volumes and prices. Water rentals revenue was down $11 million from budget and 7.6 per cent from the previous year because of lower electricity exports.

Other revenue of $1,584 million was $158 million above budget and up 12.5 per cent from the previous year. Fee and licence revenue increased $53 million from the budget estimate, mainly because of increased revenue from Medical Services Plan premiums, Crown land sales, and motor vehicle licences and permits. Larger-than-expected cash balances and higher interest rates resulted in investment income being $52 million above budget. Miscellaneous income of $144 million was $53 million above budget mainly because of higher fines, penalties and other miscellaneous revenue.

Table 2.3 General Fund Revenue by Source

	Budget 1989/90	Preliminary Actual 1989/90	Actual 1988/89[1]
		($ millions)	
Taxation Revenue:			
Personal income	3,215.0	3,451.6	2,995.3
Corporation income	744.0	666.3	600.3
Social service	1,852.0	1,985.7	1,716.7
Fuel	514.0	500.0	468.9
Property — business (school purpose)	535.0	524.8	491.0
Other	773.0	840.2	701.1
	7,633.0	7,968.6	6,973.3
Natural Resource Revenue:			
Petroleum and natural gas	217.0	227.2	240.2
Minerals	84.0	73.5	74.6
Forests	646.0	697.3	678.4
Water	247.0	236.1	255.5
Other	15.0	15.4	22.4
	1,209.0	1,249.5	1,271.1
Other Revenue:			
Fees and licences	1,219.0	1,272.1	1,172.9
Investment income	116.0	168.0	133.8
Miscellaneous	91.0	143.5	101.5
	1,426.0	1,583.6	1,408.2
Contributions from Government Enterprises:			
Liquor Distribution Branch	413.0	419.6	424.7
British Columbia Hydro and Power Authority	102.0	101.2	—
Other	27.0	11.7	22.8
	542.0	532.5	447.5
Contributions from the Federal Government:			
Established Programs Financing	1,303.0	1,239.7	1,230.2
Canada Assistance Plan	690.0	686.5	667.8
Other	184.0	174.4	211.9
	2,177.0	2,100.6	2,109.9
Total Revenue	12,987.0	13,434.8	12,210.0
Transfer (to) from Budget Stabilization Fund	500.0	52.2[2]	(591.9)
General Fund Revenue	13,487.0	13,487.0	11,618.1

[1] Restated to include valuation allowances and other one-time accounting adjustments.
[2] Includes the budgeted transfer of $500 million, largely offset by excess revenue of $448 million.

Contributions from government enterprises of $532 million were $10 million below budget but 19 per cent higher than the previous year. Lower-than-budgeted dividends received from the British Columbia Buildings Corporation were partially offset by increased net income from the Liquor Distribution Branch. During 1989/90, the provincial government also received a general distribution of $130 million from the British Columbia Hydro and Power Authority, of which $101 million was included as General Fund revenue and the remainder was offset against interest expense.

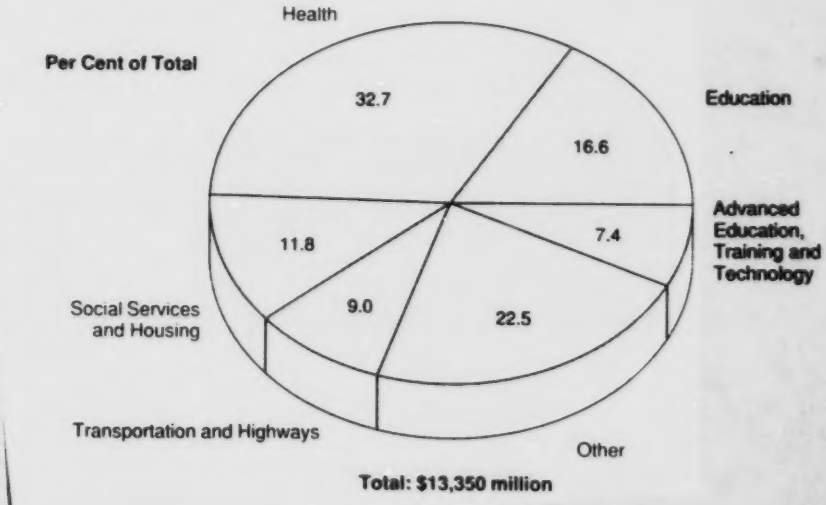
Contributions from the federal government of $2,101 million were $76 million below budget and slightly lower than in 1988/89. Established Programs Financing (EPF) cash contributions were $63 million below budget, but up only slightly from the previous year, mainly due to stronger personal income tax collections in the current and previous years. Higher personal income tax revenues mean that more of the EPF entitlement is paid through tax transfers.

Overall, total revenue of $13,435 million was $448 million higher than the original budget estimate. This excess revenue was transferred to the Budget Stabilization Fund at year end, largely offsetting the $500 million received from the fund during the year. As a result, there was a net revenue transfer of $52 million to the General Fund. General Fund revenue totalled $13,487 million in 1989/90, an increase of 16.1 per cent from 1988/89.

General Fund Expenditure

During 1989/90, five of the 26 government ministries and special offices accounted for over three-quarters of General Fund expenditure. These were the Ministries of Health, Education, Social Services and Housing, Transportation and Highways, and Advanced Education, Training and Technology. An additional 5 per cent of General Fund expenditure related to public debt interest, including interest payments to the Budget Stabilization Fund.

Chart 2.2 Expenditure by Ministry, 1989/90



Ministry of Health expenditure of $4,372 million was $63 million over the original budget estimate and up 11.3 per cent from the previous year. The major expenditure increases from last year were for hospital programs (up $219 million), the Medical Services Plan (up $77 million), the Pharmacare program (up $30 million) and the Continuing Care program (up $71 million).

Ministry of Education expenditure of $2,220 million was down slightly from the budget estimate, but up $240 million from the previous year. The increase from last year was primarily due to a $141 million increase in contributions to school districts.

Spending by the Ministry of Social Services and Housing during 1989/90 was $1,572 million, $38 million below budget and up $109 million from 1988/89. The budget variance was mainly due to lower income assistance spending resulting from a greater-than-expected decline in the number of cases during the year. Major expenditure increases from the previous year were for Direct Community Services programs (up $16 million), Services for Families and Children (up $27 million), Rehabilitation and Support Services programs (up $33 million) and Opportunities to Independence programs (up $17 million).

Ministry of Advanced Education, Training and Technology expenditure of $986 million was down slightly from the original budget estimate and up $74 million from the previous year. Compared with 1988/89, operating contributions to universities and colleges, including the University Matching Fund and Access Programs and Enrolment, were up $58 million, while expenditures on student financial assistance increased to over $50 million.

Expenditure by the Ministry of Transportation and Highways of $1,198 million was on budget and up $372 million from 1988/89. Expenditure for highway construction increased $186 million from 1988/89, while spending for highway maintenance and rehabilitation increased $90 million. Contributions to the British Columbia Ferry Corporation and British Columbia Railway Company increased by $53 million due to 1990/91 capital contributions provided during 1989/90.

Ministry of Municipal Affairs, Recreation and Culture expenditure of $330 million was $33 million below budget and $37 million higher than in 1988/89. While revenue sharing funds were fully committed, actual disbursements to municipalities and regional districts were lower than expected.

Expenditure by the Lottery Fund Special Account was $72 million below budget and down $54 million from the previous year, due to a lower-than-expected portion of grant commitments paid during 1989/90.

Expenditure for Management of Public Funds and Debt was $23 million higher than the original budget estimate as a result of higher-than-expected interest rates. This includes $161 million in General Fund interest payments to the Budget Stabilization Fund. Interest payments to external parties of $513 million were $22 million lower than the previous year due to higher-than-expected debt retirements during the year.

Overall, 1989/90 General Fund expenditure of $13,350 million was $137 million less than budget and up 11.8 per cent from 1988/89.

Table 2.4 General Fund Expenditure by Ministry[1]

	Budget 1989/90	Preliminary Actual 1989/90	Actual 1988/89
		($ millions)	
Legislation	17.5	17.7	15.9
Auditor General	5.7	5.7	5.0
Ombudsman	2.8	2.7	2.7
Office of the Premier and Executive Council Operations	3.5	3.3	3.0
Advanced Education, Training and Technology	991.8	986.0	912.4
Agriculture and Fisheries	104.5	99.1	90.1
Attorney General	226.3	248.8	204.8
Crown Lands	43.1	66.9	51.8
Education	2,224.3	2,219.6	1,979.2
Energy, Mines and Petroleum Resources	36.4	33.1	29.0
Environment	120.9	115.0	87.0
Finance and Corporate Relations	72.5	84.2	95.5
Forests	557.9	538.2	480.5
Government Management Services and Minister Responsible for Women's Programs	34.7	28.6	45.0
Health	4,309.1	4,371.7	3,928.0
International Business and Immigration	32.5	31.3	27.6
Labour and Consumer Services	77.4	75.6	62.4
Municipal Affairs, Recreation and Culture	362.3	329.5	292.8
Native Affairs	5.1	8.3	2.3
Parks	35.0	34.3	32.1
Provincial Secretary	22.5	29.7	20.2
Regional and Economic Development	77.5	74.4	62.8
Social Services and Housing	1,609.7	1,571.7	1,463.0[2]
Solicitor General	331.5	334.1	298.8
Tourism	22.8	22.7	22.9
Transportation and Highways	1,198.4	1,198.4	825.9
Other Appropriations:			
Management of Public Funds and Debt	651.4	674.1	611.9
Contingencies	50.0	23.8	22.0
New Programs	45.0	8.6	60.8
Lottery Fund Special Account	182.0	110.0	164.4
South Moresby Implementation — Forestry Compensation	32.9	0.3	1.0
Other[3]	—	3.0	38.3
General Fund Expenditure	13,487.0	13,350.4	11,939.1

[1] Expenditure figures for 1988/89 and budget figures for 1989/90 have been restated to reflect the government structure as of March 31, 1990.
[2] Expenditure figures for 1988/89 include an accounting adjustment of $31.4 million for social assistance grants paid in March 1989 for April 1989 costs.
[3] Includes certain valuation and other accounting adjustments.

Fiscal Outlook 1990/91

Fiscal Plan

On April 19, 1990, the provincial government presented its 1990/91 fiscal plan in the form of the Budget Speech delivered to the legislative assembly by the Minister of Finance and Corporate Relations.

A summary of the fiscal plan is shown below.

	1989/90[1] Preliminary Actual	1990/91 Estimate
	($ millions)	
General Fund		
Total Revenue	13,850	14,576
Transfer from Budget Stabilization Fund	52[2]	684
General Fund Revenue	13,902	15,260
Operating Expenditure	13,604	15,100
Interest Payments to Budget Stabilization Fund	161	160
General Fund Expenditure	13,765	15,260
General Fund Surplus (Deficit)	137	—

[1] Restated to conform to the 1990/91 Estimates. Revenue and expenditure in 1989/90 include a comparative adjustment of $400 million for residential (school purpose) property taxes which are included in revenue in 1990/91. Previously, this revenue was collected by municipalities on behalf of school districts.

[2] Includes the budgeted transfer of $500 million, largely offset by excess revenue of $448 million in 1989/90.

1990/91 General Fund Revenue

Total revenue in 1990/91 is estimated at $14,576 million, an increase of $726 million or 5.2 per cent from 1989/90.

- Taxation revenue is estimated to total $8,950 million in 1990/91, an increase of $581 million from 1989/90. Personal and corporation income tax revenues are expected to increase by $243 million and $39 million, respectively. Significant revenue increases are forecast for social services tax (up $230 million) and fuel taxes (up $90 million). Property tax revenue is expected to decline $91 million due to enriched home owner grant assistance, introduced in the budget.
- Natural resource revenue, estimated at $1,271 million during 1990/91, is expected to increase $21 million from 1989/90. Higher revenue from forests and petroleum, natural gas and minerals is expected to be partially offset by lower water rental revenue.
- Other revenue is expected to increase to $1,586 million during 1990/91. Increases in revenue from fees and licences are expected to be partially offset by reduced investment earnings due to lower cash balances.
- Contributions from government enterprises of $640 million are expected to increase by $107 million during 1990/91, because of higher dividends from various Crown corporations. This includes a $124 million payment from the British Columbia Hydro and Power Authority.
- Contributions from the federal government, estimated at $2,129 million, are expected to increase by $28 million during 1990/91. This slow growth is due to the effects of the federal government's 1990 budget restraint measures on Established Programs Financing and Canada Assistance Plan revenue.

During 1990/91, a transfer of $684 million will be made from the Budget Stabilization Fund to the General Fund. As a result, General Fund revenue is forecast to total $15,260 million.

1990/91 General Fund Expenditure

General Fund expenditure for 1990/91 is estimated at $15,260 million, an increase of $1,495 million or 10.9 per cent from the preliminary actual results for 1989/90.

- Ministry of Health spending is estimated to increase by $420 million. Significant spending increases are expected for hospital programs, the Medical Services Commission and Pharmacare programs and for continuing care, and community and family health services.
- Ministry of Education expenditure, estimated at $3,022 million, shows an increase of $401 million. Contributions to school districts under the new block funding arrangement and for debt service and school support account for most of the increase. Spending to implement the recommendations of the Royal Commission on Education will also increase.
- Ministry of Advanced Education, Training and Technology spending is estimated to increase by $137 million to $1,122 million. Significant increases are expected for operating contributions to universities and colleges, access programs and for the new Science and Technology Fund Special Account.
- Ministry of Social Services and Housing expenditure, estimated at $1,710 million, is expected to increase $133 million due to higher spending for rehabilitation and support services, housing programs and for services to families and children.
- Ministry of Transportation and Highways spending will increase to $1,217 million as more funds are made available for highway construction through the new Freedom to Move Special Account.
- Spending on reforestation and other environmental activities is estimated to increase 24 per cent to $553 million in 1990/91. Some of these expenditures will be made through the new Sustainable Environment Fund Special Account which provides $293 million for reforestation and environmental renewal programs.

1990/91 Financial Requirements

After the transfer from the Budget Stabilization Fund, the General Fund will be in balance during 1990/91. Financial requirements of $762 million are expected to be fully met by drawing down cash and temporary investments. During 1990/91, gross borrowing for government purposes is expected to be more than offset by debt retirements, resulting in a $78 million decline in government debt.

Revised Fiscal Outlook

On August 30, 1990, the first *Quarterly Financial Report* for the 1990/91 fiscal year was released by the provincial government.

Revenue growth for the first quarter of the fiscal year was on track. Weakness in taxation revenue, mainly due to lower real estate market activity, was partially offset by strength in other revenue sources including sales of drilling rights to Crown land. General Fund expenditure for the first quarter also was on track.

Since the release of the Quarterly Report, the outlook for revenue has deteriorated somewhat and expenditure pressures have mounted. For this reason, on November 1, 1990, the government announced a number of expenditure reduction measures including a freeze on hiring and on non-essential spending. These measures are intended to help ensure that a balanced budget is achieved this year.

Provincial Government Net Equity (Net Deficiency)

During 1989/90, the General Fund had a surplus of $137 million, while the Budget Stabilization Fund and the Privatization Benefits Fund reported increases of $109 million and $112 million, respectively. As a result, the net deficiency (excess of financial liabilities over financial assets) of the combined General Fund and Special Funds declined from $3,025 million at March 31, 1989, to $2,667 million at March 31, 1990.

Table 2.5 Net Equity of General Fund and Special Funds

	Budget 1989/90	Preliminary Actual 1989/90	Actual 1988/89
		($ millions)	
General Fund	(4,878.4)	(4,687.9)	(4,824.4)
Budget Stabilization Fund	1,058.9	1,599.9	1,491.1
Privatization Benefits Fund	322.0	420.9	308.5
	(3,497.5)	(2,667.1)	(3,024.8)

Government Debt

The provincial government issues public debt as needed to finance government operations. At March 31, 1990, provincial government-purpose debt totalled $4,209 million, a $711 million decrease from the previous year. On a per capita basis, this compares favourably with government-purpose debt of all other Canadian provinces.

Guaranteed Debt and Fiscal Agency Debt

The size and complexity of provincial and Crown corporation financing activities require a borrowing program that is carefully structured and coordinated to ensure the most favourable terms in financial markets.

Most Crown corporation and agency borrowing is done through the provincial government's fiscal agency program. Under the program, the provincial government uses its strong credit rating to undertake direct borrowing for relending to these clients, in order to provide lower-cost financing.

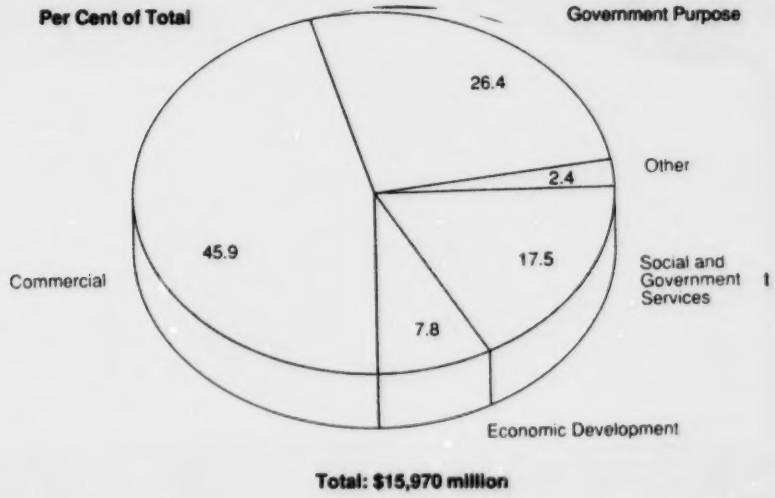
Recent legislative changes have allowed the provincial government to take advantage of market opportunities when borrowing funds for its clients. Previously, the timing and term of government borrowing were dictated by client requests. This limited the province's flexibility in structuring the timing and term of debt issues to minimize costs.

With the new changes, the provincial government can borrow funds in advance of receiving a formal loan request from a Crown corporation or agency. This enables the province to take a more proactive approach to funding its clients' financial needs and to achieve further cost savings through strategic timing. Funds borrowed in advance of a request can then be invested to meet future financing requirements as they arise.

At March 31, 1990, total guaranteed and fiscal agency debt was $11,762 million, an increase of $271 million from the previous year. Fiscal agency debt totalled $4,862 million, while guaranteed debt totalled $6,900 million (see Appendix Table A2.14).

There are four categories of Crown corporations and agencies that receive provincial government loan guarantees and fiscal agency loans. Commercial Crown corporations, which include British Columbia Hydro and Power Authority and British Columbia Railway Company, generate revenue from the sale of services at commercial rates and pay their own operating expenses, including debt servicing. At March 31, 1990, commercial Crown corporations had net guaranteed and fiscal agency debt of $7.3 billion, accounting for 46 per cent of total government and Crown corporation debt. British Columbia Hydro and Power Authority is the major borrower in this category.

Chart 2.3 Direct and Guaranteed Debt at March 31, 1990



Total: $15,970 million

Economic development Crown corporations include British Columbia Ferry Corporation and British Columbia Transit. These corporations generally operate as commercial Crown corporations. They may, however, undertake projects that provide economic benefits to the province, but do not generate a sufficient financial return to service debt. In these cases, the provincial government may provide grants or other forms of assistance. At March 31, 1990, economic development corporations had outstanding debt and guarantees of $1.2 billion, or 8 per cent of total debt. British Columbia Transit accounted for nearly all of this debt.

Social and government services debt is used to fund social and government service capital projects. Financing authorities, which provide funds for the construction of hospitals, schools and post-secondary education institutions, comprise the largest component in this category. Capital expenditure financed through these authorities is generally amortized over a period of 20 years.

Debt service requirements for social and government services are met through provincial grants or rental payments and, for schools and hospitals, partly from local property tax levies. At March 31, 1990, guaranteed debt and fiscal agency loans outstanding for social and government service capital projects totalled $2.8 billion, or about 18 per cent of total government and Crown corporation debt.

Other debt includes guaranteed and fiscal agency debt of entities that are not provincial government bodies. The provincial government has assisted these entities, which include B.C. Gas Inc., the Greater Vancouver Sewerage and Drainage District, and the Greater Vancouver Water District, to obtain lower-cost financing through the use of provincial guarantees and the province's fiscal agency loan program. At March 31, 1990, these bodies accounted for $439 million in guaranteed debt and fiscal agency loans.

Debt Servicing

As noted above, the government provides grants for the servicing of debt by certain non-commercial Crown corporations and agencies. During 1989/90, the provincial government contributed approximately $328 million to health and educational institutions and $39 million to British Columbia Transit for debt servicing.

Sinking Funds

Sinking funds are currently established to ensure the orderly repayment of long-term debt with terms of five years or more. At March 31, 1990, gross sinking fund balances, with certified sinking funds recorded at par value, totalled $4.7 billion for guaranteed, fiscal agency and government-purpose debt.

Credit Rating

During 1989, the four major credit rating agencies raised the provincial government's credit rating. Canadian Bond Rating Service, a Canadian credit rating agency, now rates the direct and guaranteed debt of the provincial government at AA+. Dominion Bond Rating Service, another Canadian rating agency, rates the provincial government's long-term debt at AA and its short-term obligations at R-1 (middle). Standard and Poor's Corporation, a major United States credit rating agency, rates British Columbia Hydro and Power Authority's long-term debt and provincial government debt obligations at AA+. Moody's Investors Service, another major United States rating agency, rates B.C. Hydro's and the provincial government's debt obligations at Aa1. These same United States agencies have rated the provincial government's U.S. commercial paper at the highest levels of P1 and A1+, respectively. During 1990, these ratings have remained unchanged.

Changes in Guaranteed and Fiscal Agency Debt 1989/90

During 1989/90, British Columbia Crown corporations and agencies increased their outstanding debt by $168 million. Changes included:

- Net borrowing for education and hospital capital projects was $119 million.
- British Columbia Buildings Corporation had net borrowing of $81 million.
- British Columbia Transit increased its debt by $39 million.
- British Columbia Hydro and Power Authority increased its debt by $16 million.
- British Columbia Railway Company decreased its debt by $39 million.
- British Columbia Enterprise Corporation retired its remaining $39 million of debt.

In addition, the provincial government has provided loan guarantees to private sector firms and individuals through various government programs, and has also offered fiscal agency financing to other public bodies such as the three universities and local governments.

During 1989/90, other debt and guarantees increased by $103 million.

Trust Funds

Trust Funds are administered by the government for external parties, but are not part of the provincial government's General Fund or Special Funds. At March 31, 1990, trust funds under administration totalled $20.5 billion.

- Superannuation, pension and long-term disability funds established for public-sector employees totalled $11.5 billion at March 31, 1990.
- Sinking funds, established by the government, Crown corporations and other public bodies, provide for the orderly retirement of maturing long-term debt. At March 31, 1990, these funds totalled $4.5 billion.
- Investment funds of the Workers' Compensation Board totalled $3.4 billion at March 31, 1990.
- Investment funds of Crown corporations, including working capital surplus to their immediate needs and funds for capital transactions, totalled $666 million at March 31, 1990.
- Public Trustee and Official Administrators are responsible for the recording, managing and reporting of accounts maintained under the *Infants Act, Patients Property Act, Estate Administration Act, Public Trustee Act* and *Trustee Act.* At March 31, 1990, these funds totalled $312 million.
- Other trust funds, including Supreme and County Court suitors' funds, totalled $146 million at March 31, 1990.

Although the provincial government has no power of appropriation over trust funds, the cash and investments of the funds are managed by the Ministry of Finance and Corporate Relations. Most trust funds are invested in both short-term money market securities and long-term government bonds. The asset mix is continually adjusted to take advantage of the expected direction of interest rates. The current asset mix strategy calls for a 30/70 short-term/long-term allocation.

Trust funds may purchase investments permitted under the *Trustee Act* and the *Financial Administration Act*. In 1989, an Investment Diversification Program was established allowing for a wider range of asset classes to include equities, real estate, mortgages and foreign securities. The program is designed to keep investment risk to a minimum and improve long-term return. Several funds are now participating in the program, including a number of provincially managed pension funds, Workers' Compensation Board funds and the province's Privatization Benefits Fund.

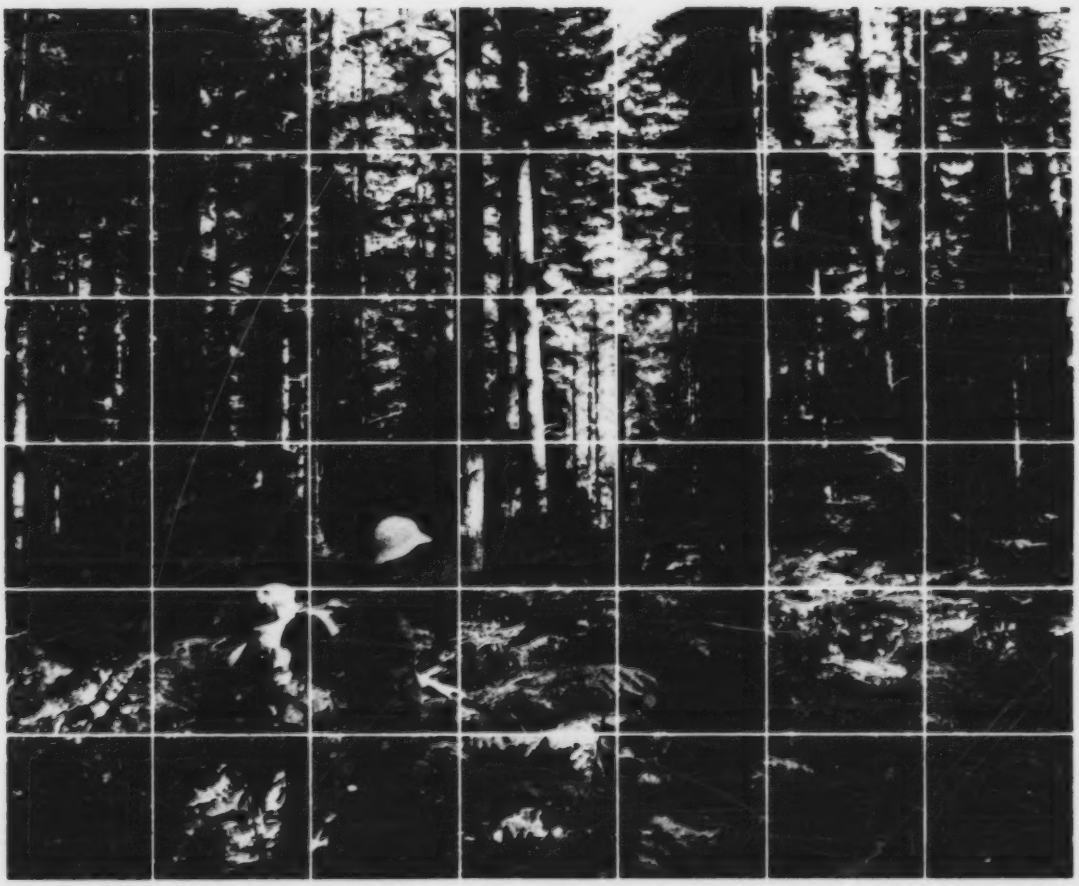
Other Liabilities

At March 31, 1990, unfunded pension liabilities totalled $486 million. This included $456 million for the provincial Public Service Superannuation Fund (as of March 31, 1987) and $30 million for the College Pension Fund (as of August 31, 1988). Contributions to these pension funds are determined by a level contribution funding method that maintains the unfunded liability as a constant percentage of future payrolls. Because the provincial government has statutory responsibility to meet the payment of these deficiencies, they are reported in the Public Accounts as contingent liabilities.

The amount of the unfunded liabilities is adjusted every three to five years as new actuarial valuations are carried out. It is expected that the next actuarial valutions for these funds (in 1990 and 1991 respectively) will result in little or no change to the total unfunded pension liability.

The provincial government also administers certain pension funds in trust on behalf of third parties, but does not have a statutory responsibility to meet the payment of deficiencies for these funds.

Chapter 3
The Province and Its People



3: The Province and Its People

Physical Attributes

Geography

British Columbia is located on Canada's Pacific coast, and has a land and freshwater area of 95 million hectares. It is Canada's third largest province and comprises 9.5 per cent of the country's total land area. The province is nearly four times the size of Great Britain, 2.5 times larger than Japan, and larger than any American state except Alaska.

British Columbia's 7,022 kilometre coastline supports a large shipping industry through ice-free, deep-water ports. The province has 8.5 million hectares of grazing land, 1.8 million hectares of lakes and rivers, and 950,000 hectares of agricultural land that is capable of supporting a wide range of crops.

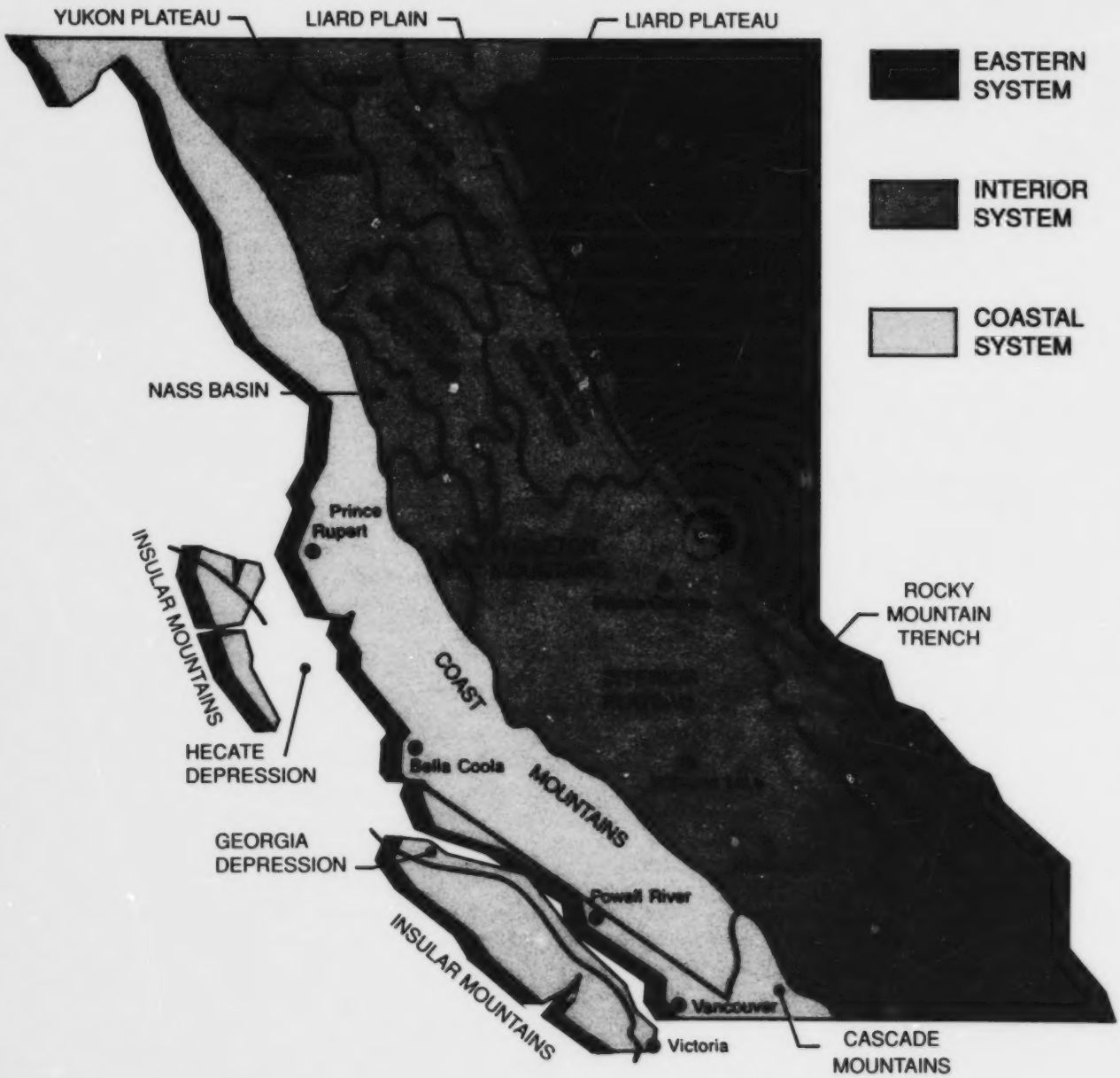
Physiography

British Columbia is characterized by mountainous topography, but also has substantial areas of lowland and plateau country. The province has three basic regions: a northwesterly trending mountain system on the coast, a similar mountain system in the east, and an extensive area of plateau and mountain country between the two. The northeastern corner of the province is lowland — a segment of the continent's Great Plains.

The western system of mountains averages about 300 kilometres in width and extends along the entire British Columbia coast and the Alaska panhandle. The Coast Mountains contain the tallest peaks in the province. The western system includes the Insular Mountains that form the basis of Vancouver Island and the Queen Charlotte Islands. These islands help to shelter the waters off the mainland coast of British Columbia, which form an important transportation route for people and products.

The interior of British Columbia is a plateau of rolling forest and grassland, 600 to 1,200 metres in average elevation. North of Burns Lake, the interior becomes mountainous, but plateau terrain returns just south of the Yukon boundary in the area drained by the Liard River. The southern interior's water system is dominated by the Fraser River, which has a drainage area covering about one-quarter of the province. The Rocky Mountains, in the eastern mountain system, rise abruptly on the southern British Columbia-Alberta boundary and are cut by passes which provide dramatic overland transportation routes into the province. The Rocky Mountain Trench lies immediately to the west of the rockies. This extensive valley, the longest in North America, is a geological fault zone separating different earth plates. It is the source of many of British Columbia's major rivers, including the Peace, Columbia and Fraser.

Map 3.1 Physiographic Regions



Climate and Vegetation

Coastal British Columbia has abundant rainfall and mild temperatures associated with a maritime climate. The Pacific coast has an average annual rainfall of between 155 and 440 centimetres, while the more sheltered coasts of Vancouver Island and the mainland along the Strait of Georgia average between 65 and 150 centimetres. Canada's longest frost-free periods of over 180 days per year are enjoyed along the edges of the coastal zone and far inland along the Fraser River valley. Temperatures fall quickly up the steep slopes of the Coast Mountains. The predominant trees in this coastal region are the western hemlock, western red cedar and balsam (amabilis fir) in the wetter parts, and Douglas fir and grand fir in the drier areas.

The interior region of British Columbia has a mainly continental climate, although not as severe as that of the Canadian prairies. Considerable variation in climate occurs, especially in winter, as warm Pacific Ocean storms bring relief from cold spells. The southern interior has the driest and warmest climate of the province. In the valleys, annual precipitation ranges from less than 30 centimetres to 50 centimetres, while daily temperatures can average over 20 degrees Celsius in July and just under freezing in January. The climate becomes more extreme further north and precipitation increases. The frost-free period here is short and unreliable. Lodgepole pine is the dominant tree of commercial value in the interior.

The northeast region of the province is a northern extension of the western prairie region of Alberta. It has a continental climate that is more extreme than that of the northern interior region. However, it does have long hot summers and a frost-free period long enough to grow grain, forage and other crops.

Geology

British Columbia has widespread mineral deposits. Copper is found along the coast and often occurs with molybdenum, iron and tungsten in the interior. The southeast has lead/zinc deposits, sometimes occurring with silver. Gold is found in several regions.

The northeast has oil and gas deposits east of the Rocky Mountains. Although no commercial discoveries of petroleum have been made west of the rockies, exploratory drilling has been done in the interior, the Fraser delta and on the continental shelf.

The northeastern and southeastern regions of the province and the east coast of Vancouver Island have extensive coal reserves.

Economic History

Prior to European settlement, British Columbia was populated by native peoples, predominantly on the coast and along the lower reaches of major salmon rivers. Their economy was based on hunting and harvesting an abundant supply of animal and plant life. This economy supported a vigorous and complex culture.

European contact began in 1774 when a Spanish sailing ship commanded by Juan Perez anchored south of Nootka Sound. An extended visit by Captain James Cook to Nootka Sound in 1778 established Britain's interest in the region. The visit set the stage for the fur trade which flourished until the middle of the 19th century. Captain John Meares established a trading post at Nootka in 1877, loading a vessel with furs and wooden spars for shipment to China. This represented the first reported trade in timber from British Columbia.

Fur traders of the North West Company explored the interior of the province; Alexander Mackenzie, Simon Fraser, and David Thompson each explored different routes from British North America to the sea. Alexander Mackenzie reached the Pacific Ocean near Bella Coola in 1793. Simon Fraser founded Fort St. James on Stuart Lake and Fort George at the confluence of the Nechako and Fraser Rivers in 1806 and 1807, respectively. Both were established in the name of the North West Company.

The North West Company and the Hudson's Bay Company amalgamated in 1821. In 1843, the Hudson's Bay Company established Fort Victoria as its western depot in anticipation of the loss of its depot at Vancouver, Washington. In 1846, the Oregon Treaty established the United States-British Columbia border at the 49th parallel, 200 miles north of the lower Columbia River. The Hudson's Bay Company established the first mechanized sawmill in British Columbia near Victoria in 1848.

The discovery of gold in the Fraser River in 1858 attracted thousands of people to the area, and Victoria, as the supply centre, was suddenly transformed from a trading post to a city. New Westminster, Hope and Yale also came into prominence as a result of the gold rush. However, the brief economic boom during the gold rush years did not provide a firm base for continued rapid growth.

Transportation

The lack of immigrants, capital, and a large domestic market made the prospect of a rail link to eastern Canada attractive to British Columbia residents. In 1871, with the Dominion government's promise of an all-Canadian railway to the Pacific coast, British Columbia joined Confederation.

Completion of the Panama Canal in 1914 opened new markets in Europe, giving further impetus to the development of the forest industry, food processing and mineral smelting. Expansion of the province's ports facilitated the shipment of prairie grain.

World War II gave a boost to the British Columbia economy as the war increased demand for the province's base metals and forest products. Construction of the Alaska Highway during the war, and service improvements to the Pacific Great Eastern Railway (now British Columbia Railway) proved of great benefit in opening up the northern and central areas of the province.

Forest Products

Major development of forest resources started after the completion of the Canadian Pacific Railway in 1886 and expanded with market conditions as transportation systems improved. Pulp production began in 1909, while Fraser Mills, near New Westminster, began producing plywood in 1913. Coastal sawmills exported lumber to world markets, while interior sawmills found their first important market in the prairie settlement boom prior to World War I.

Pulp and paper mills, producing sulphite pulp and newsprint, were built at sites offering abundant water, energy and wood supplies. The rapid expansion of demand for paper products, associated with changed packaging techniques in the postwar period, shifted the emphasis to "kraft" or sulphate pulp.

Through the years, new technology has allowed greater use of the province's forest resources and increased the industry's efficiency and productivity.

Mining and Mineral Fuels

Mining activity began with the working of Vancouver Island coal deposits in the 1840s, but placer gold attracted the most attention in this early period. Production of lode gold and copper overshadowed other minerals until the 1920s when the huge Sullivan lead-zinc mine at Kimberley came into full production. In the 1960s, the emphasis again shifted to copper as new markets and technology permitted the development of large, low-grade, open-pit mines. Commercial production of gas and oil in the Peace River area began with completion of the main gas and oil pipelines in 1957 and 1961, respectively. The coal mining industry was reactivated in the late 1960s when Japanese steelmakers began purchasing large quantities of coking coal from British Columbia mines. Coal production increased dramatically in 1984 with the opening of the northeast coal mines.

Fishing

The fishing industry has also been important throughout the economic history of the province. Salmon canning began in 1870 on the Fraser River, spreading quickly northwards. Canning made possible the export of salmon to distant markets. Some canning activity was displaced in the 1960s and 1970s by the development of freezing technology, which led to operations becoming more centralized in Vancouver and Prince Rupert. The 1970s also saw the development of a major roe herring fishery in the province's coastal waters and, in the 1980s, fish farming emerged.

Agriculture

Fur traders introduced agriculture to British Columbia in the first quarter of the 19th century in order to reduce their dependence on distant and costly sources of food. Grain, vegetables and fruit crops were grown, and dairy cattle and horses were kept at many trading posts. Demand for agricultural products increased considerably with the influx of goldseekers. Commercial farming and interior cattle ranching began during the mining booms. Activity expanded with the settlement of lands opened by the coming of the railways. Irrigation projects in the Okanagan and Kootenays, and land reclamation programs in the Lower Fraser Valley and at Creston provided rich new productive capacity. Grain and seed crops began to be cultivated in the Peace River region after the turn of the century.

Manufacturing

Manufacturing in British Columbia has historically been resource-based and dominated by the production of wood and paper products. However, the emergence of other manufacturing activities, particularly in the 1980s, provided greater diversification to the province's manufacturing sector. For example, British Columbia is now an important manufacturer of electronic products, communications equipment, plastics and clothing.

Tourism

Tourism emerged in the post-war period as one of the province's leading economic sectors. Rising income levels, more leisure time and improved transportation systems have resulted in increased provincial tourism activity in recent years. Tourism activity was given a further boost by Expo 86, the international exposition held in Vancouver, which recorded over 22 million visits and gave British Columbia worldwide exposure. Both Vancouver and Victoria boast world-class convention centres. In addition, considerable tourism-related development has taken place in recent years at Whistler, the international ski resort 124 kilometres north of Vancouver, and elsewhere in the province.

Recent developments in the province's industrial sectors are outlined in Chapter 5.

Population

The population of British Columbia on June 1, 1989 was estimated at 3,053,300 persons, an increase of 2.5 per cent from June 1, 1988. This was the highest percentage increase in population of any Canadian province over this twelve-month period. The most recent estimate of total British Columbia population at June 1, 1990 is 3,131,700, reflecting continued strong population growth. See Appendix Table A3.1 for municipal population estimates.

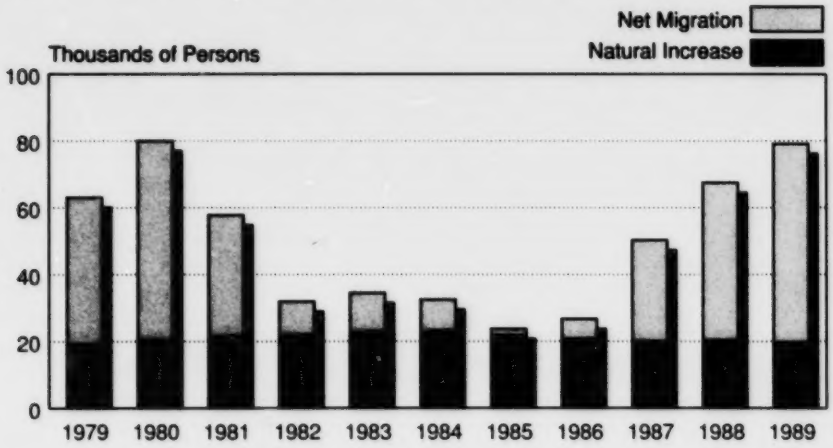
Historically, British Columbia has experienced population growth well above the national average. The province's population grew at an average annual rate of 1.7 per cent between 1979 and 1989, compared to a 1 per cent average annual rate for Canada. As a result, the province's share of national population increased from 10.9 per cent in 1979 to 11.6 per cent in 1989.

Components of Population Change

Population change can be divided into two components: migration, which encompasses both the movement of people to and from the province, and natural increase, which is the net of births minus deaths. Migration has always been an important factor in British Columbia's population growth. Of the people currently living in British Columbia, slightly less than half were born here, 30 per cent migrated from elsewhere in Canada, and the rest migrated from other countries. British Columbia is the only province where a majority of its citizens were born outside its boundaries.

Over the past 10 years, net migration has accounted for 56 per cent of the province's population growth, with natural increase contributing the remaining 44 per cent. As shown in Chart 3.1, there have been significant variations in the relative importance of the two components of population change. For example, during the period of slower economic growth between 1982 and 1986, net migration to the province was low, while natural increase remained relatively unaffected by economic conditions.

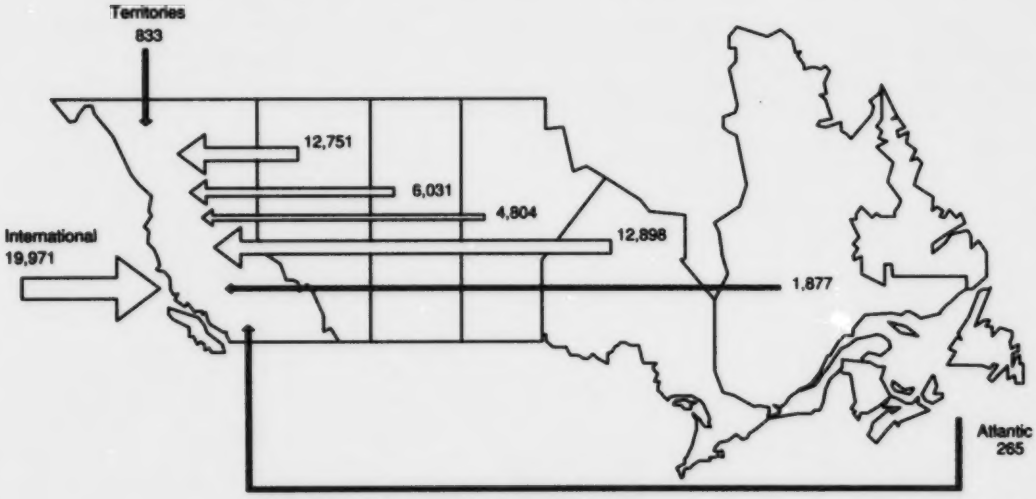
Chart 3.1 Components of British Columbia Population Change



Source: Statistics Canada

Currently, migration to British Columbia is high relative to the levels experienced through much of the 1980s. During 1989, strong net inflows of people were recorded from all areas of Canada, particularly from Alberta and Ontario (see Map 3.2). In addition to those arriving from other provinces, approximately 20,000 entered from other countries, bringing the net inflow of migrants to the province to 59,430 in 1989.

Map 3.2 Net Population Movement (1989)



Note: Net population movement represents total inflow less total outflow.

Source: Statistics Canada

British Columbia's Greying Population

Introduction

British Columbia is experiencing an aging of its population, similar to many other jurisdictions. Dramatic improvements in medicine, nutrition and quality of life have greatly increased the life expectancy of British Columbians, expanding the contribution of senior citizens both to the social fabric and to the economy of the province. British Columbians aged 65 and over have increased steadily relative to other age groups, rising from 9.3 per cent of total population in 1969 to 12.9 per cent in 1989. By the year 2016, over 18.4 per cent of British Columbians will be senior citizens.

Challenges

This trend presents many challenges for government and communities. The demand for provincial services geared to seniors will increase at a faster rate than those for the young, resulting in services, such as health care, commanding an increased share of government dollars. Currently, 75 per cent of the provincial health care budget is spent on persons over the age of 65; two-thirds of which is for persons over the age of 80.

There will be an increasing need for a social framework that supports a high quality of life, while preserving the personal independence of seniors. This need is particularly acute for women, who make up an increasing share of seniors. Up to about age 60, the numbers of men and women in British Columbia are roughly equal. Over the age of 85, however, there are twice as many women as men. Older women are also more likely to be living alone than older men. The majority of women over 65 and two-thirds of women over 75 are widowed, divorced or single, and are more likely to be living on their own or in institutional settings. In sharp contrast, almost 80 per cent of men over 65 and 70 per cent of men over 75 are married and are more likely to be living with family members.

Along with differences in survival and living arrangements, the current economic position of men and women also differs. Many elderly women, especially those who have never been employed or worked only for lower wages, have had limited or no opportunity to save or contribute to any pension plan. The result is that elderly women have significantly lower incomes than men.

Existing Programs

The province provides a variety of services that support and enhance the independence, well-being and health of seniors. Many of the programs, such as Shelter Aid for Elderly Renters, land tax deferment and home owner grants, are designed so that seniors may continue to live in their own homes. In the area of health care, a wider range of choices support the total well-being of the individual, such as the Meals-on-Wheels and Choosing Wellness programs. Financial assistance programs provide the minimum level of support most seniors need to maintain dignity, independence and self-respect.

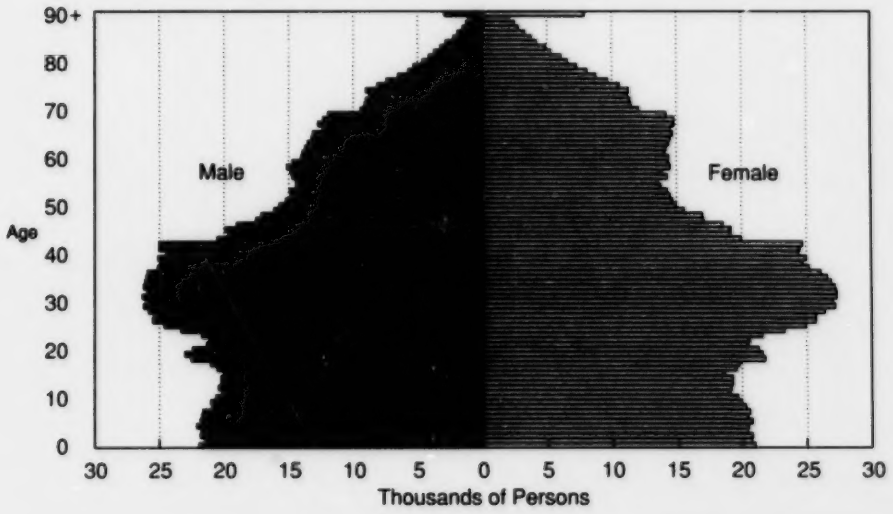
Future Directions

The increase in the number of seniors in British Columbia will affect the demand for government services. The recommendations of the "Towards a Better Age" Task Force on Seniors will continue to shape future public policy so that it will meet the special needs of seniors, while making greater use of community resources.

Age Structure of the Population

Changes in birth rates have had an important impact on the age structure of the British Columbia population. Much of the variation in the size of each age group is attributable to the effects of the postwar baby boom and the subsequent drop in birth rates.

Chart 3.2 British Columbia Population by Age and Sex, 1989



Source: Ministry of Finance and Corporate Relations

The effects of the baby boom can be clearly seen by the bulge in population between the ages of 25 and 45. In 1989, 34 per cent of the provincial population was in this age group, compared to only 28 per cent in 1960. In the future, as the baby boom generation ages, significant increases in the consumption of products and services demanded by an older population can be expected.

In British Columbia, as in the rest of Canada, the average age of the population has risen steadily since the 1960s. Over the last 10 years, the number of British Columbians of school age (5 to 19 years) has declined by 20,000. By contrast, the number of British Columbians aged 65 and older increased by 122,000 over the same period and now account for 12.9 per cent of total population (see Table 3.1). The median age of British Columbia's population is now 34.2 years compared to 30.3 years in 1979.

Table 3.1 British Columbia Population by Age Group

Age Group at June 1,	1979		1989		Change 1979–1989
	(000)	(per cent)	(000)	(per cent)	(per cent)
0–4	180	7.0	212	6.9	17.8
5–19	636	24.6	616	20.2	–3.1
20–44	986	38.1	1,223	40.0	24.0
45–64	515	19.9	609	19.9	18.3
65 and over	272	10.5	394	12.9	44.9
Total[1]	2,589	100.0	3,053	100.0	17.9

[1] Totals may not add due to rounding.
Source: Statistics Canada.

Regional Population Growth

During the past 10 years, there has been a significant change in regional growth patterns within the province (see Table 3.2). Up until the 1981-82 recession, all of the province's regions had growing populations. Since 1982, only the Lower Mainland/Southwest region has continued to show relatively strong population growth. During the past three years, the Vancouver Island and Thompson/Okanagan regions have experienced a return to the strong growth patterns of the pre-recession period. Population losses recorded by most other regions in the province since 1982 have diminished over the past few years.

Table 3.2 British Columbia Population by Development Region (June 1)

Development Region	1979	1984	1989	Change 1979–1984	Change 1984–1989
	(thousands)			(per cent)	
Vancouver Island/Coast	485.8	532.7	568.5	9.7	6.7
Lower Mainland/Southwest	1,367.3	1,510.4	1,705.2	10.5	12.9
Thompson/Okanagan	314.7	347.4	353.4	10.4	1.7
Kootenay	131.8	139.3	127.0	5.7	–8.8
Cariboo	142.3	154.0	144.6	8.2	–6.1
North Coast	61.5	65.7	62.1	6.8	–5.5
Nechako	37.2	40.7	38.6	9.4	–5.2
Northeast	48.8	57.6	53.9	18.0	–6.4
British Columbia[1]	2,589.4	2,847.7	3,053.3	10.0	7.2

[1] Totals may not add due to rounding.
Source: Ministry of Finance and Corporate Relations.

Much of the population loss can be attributed to restructuring in many of the resource-based industries in these areas. This, coupled with the increasing importance of the service sector, resulted in a shift in population from outlying regions to the province's larger metropolitan areas.

Labour Market Developments in the 1980s

Prior to the 1981-82 recession, provincial employment reached a record high of 1,270,000 in 1981, and the provincial unemployment rate of 6.7 per cent was at its lowest level since 1974.

The recession had a significant impact on the provincial, as well as the Canadian, labour market. In British Columbia, employment declined by 80,000 between 1981 and 1983, and did not return to the pre-recession level until 1986. Because of this decline in employment, the unemployment rate rose to a peak of 14.7 per cent in 1984. Since then, it has declined to 9.1 per cent in 1989.

Since 1985, British Columbia labour market conditions have improved substantially. Over the four year period between 1985 and 1989, employment grew by 215,000 while the number of unemployed persons declined by 56,000. See Appendix Table A3.2 for further details on labour market conditions.

Labour Force

The increase in the average age of the population also has affected the age distribution of the labour force. In 1989, 19.5 per cent of the labour force was in the 15-to-24 year age group compared with 25.9 per cent in 1979 (see Table 3.3). Population forecasts indicate that the size of the 15-to-24 age group will decline further relative to the older age groups over the next 15 years. This reflects the aging of the baby boom generation and a decline in fertility rates in the 1960s and 1970s.

Table 3.3 British Columbia Labour Force by Age Group

Age Group	1979		1989	
	(000)	(per cent)	(000)	(per cent)
15–24	321	25.9	308	19.5
25–44	581	46.9	847	53.7
45–64	318	25.7	406	25.7
65 and over	19	1.5	17	1.1
Total[1]	1,239	100.0	1,578	100.0

[1] Totals may not add due to rounding.
Source: Statistics Canada.

The trend toward increased economic activity by women has had a significant impact on the composition of the provincial labour force. Between 1979 and 1989, the female participation rate (the percentage of women aged 15 years and over who are in the labour force) rose from 49 per cent to 58 per cent and is expected to increase further. The male participation rate decreased from 77.8 per cent to 75.9 per cent over the same period, while the overall participation rate increased from 63.2 per cent to 66.8 per cent. As a result, the proportion of the labour force comprised of women has grown steadily, from 39.4 per cent in 1979 to 44.4 per cent in 1989. The rapid growth of the service sector in the province can be partially attributed to the increased availability of a flexible and skilled female work force.

Women in British Columbia: Their Changing Role

Over the last 20 years, women have significantly increased their participation in the labour market. This has had a considerable impact on the overall economic and social structure of British Columbia.

Social Characteristics

More women chose to remain unmarried during the 1970s and 1980s. Those who did tie the knot were married later in life than in previous decades. Among women aged 25 to 44, one in seven were still single in 1986, compared to one in 13 in 1971.

This change in marriage patterns, combined with more advanced and readily-available birth control, contributed to a decline in the number of children born per woman and a postponement of child-bearing. Women in 1971, on average, had given birth to their first child at age 22, compared to age 26 in 1986.

Among husband-wife families, the average number of children per family dropped to 1.1 from 1.5. This decline in fertility has played a major role in providing women with greater opportunities to participate in the labour force.

Labour Market Characteristics

Women's participation in the work force is the norm now, rather than the exception.

The most significant increase in labour force participation has been among women with pre-school age children. Six out of ten mothers with pre-schoolers are working today, compared to less than three out of ten in the early 1970s.

Increased career opportunities and lifestyle choices mean that many women now continue to work through the child-rearing years. A young woman just finishing school has an expected working life similar to that of a man, so there is incentive for women to educate themselves and strive for job satisfaction and better pay.

Education

More and more women are attending post-secondary institutions. In 1988/89, women attending university actually outnumbered men — 52 per cent of university enrolments were female. Twenty years ago, only 38 per cent of the student population was female.

In 1971, 34 per cent of university degree holders were female; this had increased to 44 per cent by 1989.

Women are moving into disciplines traditionally occupied by men. In 1971, only 10 women received Bachelor of Commerce degrees from British Columbia universities. By 1988, that number had increased to 323 — 43 per cent of those graduating. In the field of engineering, 70 women graduated in 1988, compared with one or two per year in the early 1970s. By completing post-secondary education, women are now more qualified for a broader range of careers and for jobs requiring higher skills.

Occupations

However, women still remain concentrated in a small number of occupations that are usually at the lower end of the pay scale. The two lowest paid occupation groups — service and clerical — account for 52 per cent of working women and only 17 per cent of men.

Since the early 1970s, there has been some movement of women to higher paying jobs. In 1971, only 2 per cent of women worked in the three highest-paid occupations: physicians and dentists, lawyers and managers. This percentage increased to 8 per cent by 1986 — still well below the 13 per cent of men working in these fields.

Earnings

Overall, women earn considerably less than men. In 1988, 62 per cent of men who worked full-time and full-year earned over $30,000. Only 19 per cent of women earned as much. Women working full-time earned an average of $21,999. Men earned $34,453 — 62 per cent more than women. This wage gap has narrowed, however. In 1970, men earned 77 per cent more than women.

There is considerable controversy over the reasons for the earnings gap. To some, it is clear evidence of discrimination against women in the workplace. Others feel that the earnings gap is the result of interactions between a complex series of factors, including demographics, education, the supply and demand for certain skills, and the career and lifestyle choices made by women.

The wage gap can be partly explained by the fact that women are working in lower-paid occupations. Still, some women earn less than their male counterparts working in the same occupation. In the teaching and teaching-related fields — fields which are female dominated — men still, on average, earned 30 per cent more than women in 1985.

Pay Equity

In the past, traditionally female occupations have been undervalued given the skills, education, responsibility and effort required for those jobs. Throughout Canada, certain sectors are attempting to rectify this inequity by introducing pay equity programs.

The Government of British Columbia recently announced an initiative to realign the pay scales of certain female-dominated jobs, particularly those in the support functions, to better reflect the relative value of jobs in the British Columbia public service.

The provincial government's Pay Equity Plan will be negotiated with the unions without the need for legislation. It is estimated to cost $40 million and should result in pay equity salary adjustments for 13,000 employees, the vast majority women.

Pay equity salary adjustments will be made over time. For the British Columbia Government Employees Union (BCGEU), the government's largest union, the allowable expenditure will be 1.5 per cent of payroll in years one and two, and up to 1 per cent per year thereafter. It is expected pay equity will be achieved in four to five years. Spending limits for the nurses' unions and the Professional Employees' Association will be up to 1 per cent of previous year's base payroll throughout the adjustment period.

An interim adjustment is available to the BCGEU in January 1991, provided the parties are making sufficient progress toward completion of a pay equity plan. The average difference in the clerical series will mean an increase of approximately $1,100 a year for affected employees.

Impact on the Family

The changing role of women has had a major impact on the traditional family structure. More families have dual incomes, changing the nature of family life and the consumption patterns of households.

The number of single-parent families has also increased. In 1989, one in four families was headed by a single parent. In 1971, only one in eight was a single-parent household. By far the majority of single parent households are headed by women; 14 per cent of all children lived with single mothers in 1986, up from 8 per cent in 1971.

The demand for daycare is a natural result of the increased number of working mothers. The number of families with no parent at home full-time to care for pre-school-age children has increased to 98,000, up 69 per cent from 58,000 families 10 years ago.

Table 3.4 British Columbia Labour Force Activity by Sex

	1979			1989		
	Males	Females	Total[1]	Males	Females	Total[1]
Population 15 years and over (000)	966	995	1,960	1,157	1,207	2,364
Labour force (000)	751	488	1,239	877	701	1,578
Participation rate (per cent)	77.8	49.0	63.2	75.9	58.0	66.8

[1] Totals may not add due to rounding.
Source: Statistics Canada.

In order for the British Columbia economy to prosper in today's competitive international marketplace, a skilled and well-educated labour force is essential. In 1989, 40.9 per cent of the labour force had attended or had graduated from a post-secondary institute, compared with 33.2 per cent in 1979. The proportion of those in the work force who had completed some type of post-secondary education — university degree, college certificate or diploma, or trade certificate — rose from 22.2 per cent to 28.3 per cent over this period.

Table 3.5 British Columbia Labour Force by Level of Education

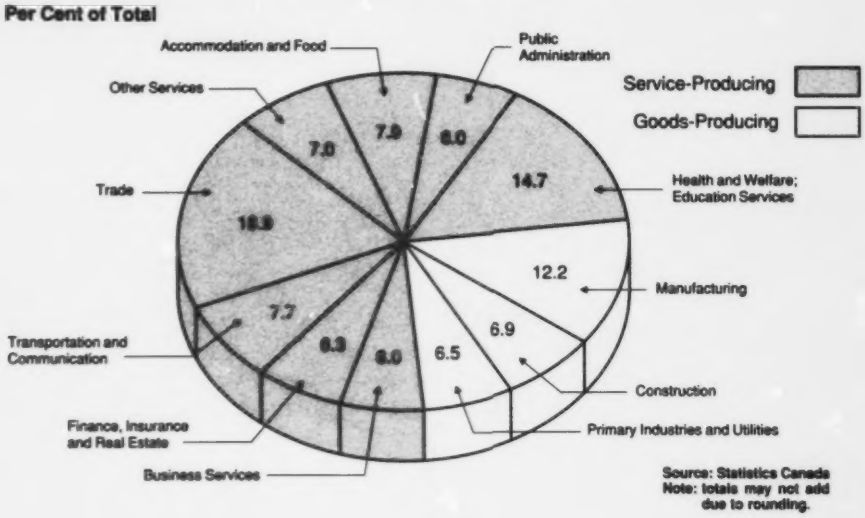
Level of Education	1979		1989	
	(000)	(per cent)	(000)	(per cent)
0–8 years	119	9.6	92	5.8
9–13 years	710	57.3	840	53.2
Some post-secondary	136	11.0	199	12.6
Post-secondary certificate or diploma	131	10.6	227	14.4
University degree	144	11.6	220	13.9
Total[1]	1,239	100.0	1,578	100.0

[1] Totals may not add due to rounding.
Source: Statistics Canada.

Employment

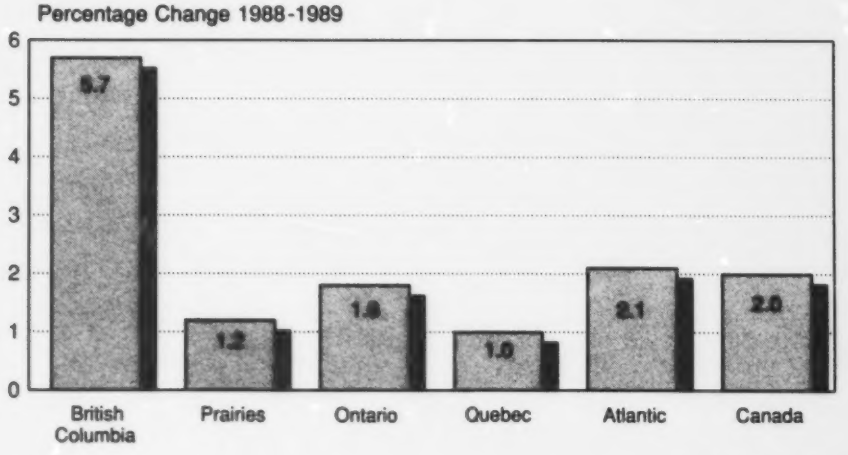
Over the past 10 years, the service-producing sector of the British Columbia economy has grown more rapidly than the goods-producing sector, reflecting the trend in Canada and other developed countries. Between 1979 and 1989, employment in the province's service sector increased from 798,000 to 1,068,000, a gain of 270,000 jobs or 33.8 per cent. In contrast, goods-producing employment increased marginally from 346,000 in 1979 to 367,000 in 1989, an increase of only 21,000 or 6.1 per cent. As a result, the service-producing sector's share of total employment rose from 69.8 per cent to 74.4 per cent over this period.

Chart 3.3 British Columbia Employment by Sector, 1989



The shift in employment between the service-producing and goods-producing sectors affected the regional distribution of employment. Between 1979 and 1989, the Lower Mainland's share of provincial employment rose from 56.2 per cent to 59.1 per cent, Vancouver Island's share declined slightly from 17.2 per cent to 16.9 per cent, while the rest of the province dropped from 26.6 per cent to 24 per cent. This shift reflects the relatively greater reliance of the outlying regions of the province on goods-producing industries. During 1989, employment in British Columbia increased 5.7 per cent, exceeding the Canadian growth rate of 2 per cent.

Chart 3.4 Employment Growth in Canadian Regions



Unemployment

In 1989, the provincial unemployment rate was 9.1 per cent, compared to the Canadian average of 7.5 per cent. Despite its higher-than-average unemployment rate, British Columbia remains an attractive destination for workers from other provinces as indicated by a large inflow of working-age migrants in recent years.

The average duration of unemployment for British Columbians was 18.3 weeks in 1989, below the peak of 25.3 weeks recorded in 1985. Older persons experience more difficulty in finding employment with the duration of unemployment for persons aged 45 years and over averaging 23.8 weeks in 1989.

In 1989, the provincial unemployment rate for females was 9.6 per cent compared to 8.7 per cent for males. Females tend to have a higher unemployment rate partly because they enter and exit the labour force more frequently. However, the male unemployment rate exceeded the female rate during the recession when the male-dominated goods-producing sector was more severely affected than the service-producing sector.

Income

Average weekly earnings in British Columbia increased 5.4 per cent to $491.63 in 1989 and were higher than in all provinces except Ontario. On an industry basis, average weekly earnings were highest in the mining industry, followed by the forestry industry.

Personal income, which comprises all forms of income accruing to individuals, reached $63.7 billion in 1989, up 11.2 per cent from 1988. On a per capita basis, average personal income for British Columbians was $20,848 in 1989. Total wages and salaries, the largest component of personal income, totalled $36.8 billion in 1989, a 12.8 per cent increase from 1988.

Table 3.6 Average Weekly Earnings in British Columbia by Industry

Industry	1979	1988	1989
		(dollars)	
Forestry	374.01	682.32	707.94
Mines, quarries and oil wells	414.68	804.89	836.57
Manufacturing	339.07	580.69	617.11
Construction	395.86	522.52	574.89
Goods-producing industries	n.a.	592.00	628.29
Transportation, communication and other utilities	355.60	617.42	637.93
Trade	241.89	358.05	380.05
Finance, insurance and real estate	273.94	502.27	536.31
Community, business and personal services	246.22	374.47	394.28
Public administration	n.a.	603.13	623.87
Service-producing industries	n.a.	428.49	450.73
Industrial aggregate	291.70	466.52	491.63

Source: Statistics Canada.
n.a.: not available.

Regional Profiles

The provincial government continued to emphasize its regional development initiative. In 1989, the Regional Development Board, which is comprised of the Minister of Regional and Economic Development, four other cabinet ministers and three government members of the legislative assembly, was established to represent the eight development regions. The board is mandated to identify and respond to local priorities and to help promote sustainable economic growth and diversification in each of the development regions.

Vancouver Island/ Coast Region

This region comprises all of Vancouver Island, numerous smaller islands and a section of the coastal mainland which, with the exception of Powell River, is remote and sparsely inhabited. Rugged mountains predominate except for a narrow coastal plain extending along the east coast of Vancouver Island. The region covers 9.8 per cent of the total land area of the province and accounts for 18.6 per cent of the population.

This region is second only to the Lower Mainland/Southwest for both population and economic activity. Its population is concentrated in Victoria, the provincial capital and a major trade, tourism and public administration centre. Elsewhere, the primary industries provide the region's main economic support with the forestry sector in the leading role. There are six pulp and paper mills on Vancouver Island and one at Powell River; logging and sawmilling activity is widespread. Farming, fishing and mining (the latter at Campbell River, Port Hardy and Texada Island) are well represented. Tourism and the retirement industry also contribute to economic activity, particularly in the southern part of the region.

Mainland/Southwest Region

The Mainland/Southwest region is geographically the smallest development region with only 4.2 per cent of the province's land area. It is, however, the most populous region by far with 55.8 per cent of the province's population. The region consists of the flat lower Fraser Valley, associated uplands and the mountains that border them. It also encompasses part of the adjacent mainland coast connected to Vancouver by the coastal ferry system, as well as the Squamish and Lillooet River valleys, which are linked to Lillooet through Anderson and Seton Lakes.

The Lower Mainland is the leading centre for many of the activities in the province, from farming and fishing to manufacturing and services. The urban centre of Greater Vancouver is the hub for most financial, educational, tourist, transportation, cultural and industrial activity in the region, while the resource industries play a major role in the less densely populated areas of the region.

Thompson-Okanagan Region

This region covers the Okanagan, Similkameen Region and North Thompson valleys, as well as the Trans Canada Highway-CP Rail corridor from the Alberta boundary to the Fraser Canyon at Lytton. It contains 10.8 per cent of the provincial land area and 11.6 per cent of the population.

Manufacturing, tourism and transportation services broaden the regional economy but mining, forestry and agriculture remain the primary industries. The Okanagan Valley contains most of the province's orchards and vineyards, while much of the western and northern sections are prime cattle range. Forest industry activity is widespread but the only pulp mill is located at Kamloops. The Highland Valley area, southwest of Kamloops, contains a number of copper-molybdenum mines, which recently consolidated into a single operation that is the second largest in the world. There is also a large copper mine near Princeton and precious metals mines near Hedley and west of Clinton (see Map 5.3: Chapter 5). Mineral exploration activity is extensive and additional mining developments are anticipated given favourable prices. Kamloops and Kelowna are the region's largest communities with broad, local economies based on trade, administration, services and manufacturing. Tourism and the retirement industry provide considerable economic benefit, particularly in the Okanagan and Shuswap areas.

Kootenay Region

The Kootenay region borders the United States and is sandwiched between Alberta and the Okanagan Valley. It represents 6.7 per cent of the provincial land area and contains 4.2 per cent of the population. The terrain is mountainous; valleys are oriented north-south and contain a number of reservoirs for power generation facilities. The only large flat area is at Creston where agriculture dominates.

Cattle ranching is the main agricultural activity around Grand Forks and in the Rocky Mountain Trench. Mining and mineral processing are dominant at Trail (non-ferrous smelter complex), Kimberley (lead-zinc mine — resumed full production in November 1993) and the Fernie-Elkford area (coal mines). Logging and timber processing activities are widespread; pulp mills are located at Castlegar and Skookumchuk. Cranbrook is the regional centre for trade and services in the eastern part of the region, while Nelson serves as the main administrative centre for the west Kootenay area. The region's long history of mining explains the presence of numerous small communities.

Cariboo Region

The Cariboo region encompasses 13.5 per cent of the province's land area and 4.7 per cent of the population. Bounded by high mountains on the east and southwest, the region is primarily a high, rolling-to-hilly plateau. It is heavily forested, but lower elevations provide excellent areas for raising beef cattle.

The region's southern portion is the centre of cattle ranching in British Columbia. Forestry provides the main economic support throughout the region. Pulp mills at Quesnel, Prince George and Mackenzie use wood fibre supplied from well beyond the region (see Map 5.2: Chapter 5). There is a large open-pit copper-molybdenum mine located near Williams Lake, and mineral exploration is widespread. The area from Quesnel to Barkerville has a long history of gold mining. Prince George has developed as the leading trade, administration and manufacturing centre in the northern part of the province on the strength of its central location on the rail and highway systems.

North Coast Region

The North Coast region is the fourth largest of the eight development regions, covering 12.5 per cent of the province. The region includes only 2 per cent of the provincial population and most of the residents are concentrated between Prince Rupert, Hazelton and Kitimat. Rugged mountains and deeply cut river valleys characterize the diverse topography of the region.

The economy of the region is as diverse as its topography. The coastal communities rely heavily on fishing and fish processing. There is extensive logging on the Queen Charlotte Islands and in the southern half of the mainland portion of the region. Pulp and paper mills are located at Prince Rupert and Kitimat, and major sawmills at Terrace, Kitwanga and Hazelton. Mining and forestry are the chief economic activities in the Stewart area. Prince Rupert and Terrace are the leading administrative centres for the region. Kitimat was established in the early 1950s to house Alcan's aluminum smelter complex but has since expanded to include forest products and petrochemical production.

Nechako Region

The Nechako region is the second largest of the development regions, containing 20.7 per cent of the provincial land area but only 1.3 per cent of the population. The bulk of the population lives in communities along the rail-highway corridor from Smithers to Vanderhoof and Fort St. James. The terrain is composed of a high, rolling or hilly plateau bounded by rugged mountains on the west and northeastern borders. There is little or no commercial forest cover in the northern half but forests are extensive in the south where they support a large part of the local economy.

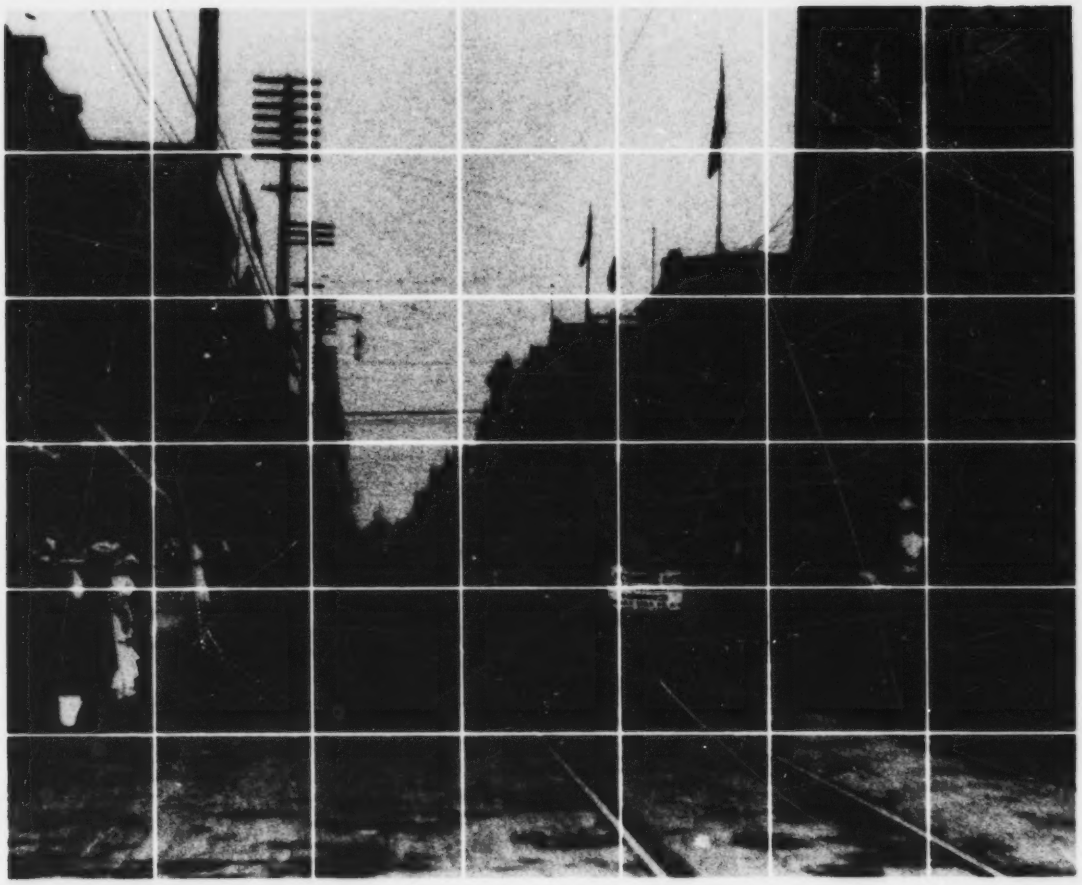
The mining industry forms the economic base in Atlin, Cassiar, Dease Lake, Fraser Lake and Granisle. Large mines are located near Fraser Lake (molybdenum), Houston (copper, gold, silver), Granisle (copper) and Cassiar (asbestos, gold). Widespread mineral exploration and development is currently centred on precious metals but large deposits of base metals (copper-gold at Mount Milligan) and coal (at Mount Klappan and Telkwa) offer future potential. Due to the climate and terrain, agricultural activity is limited to the Bulkley Valley at Smithers and an area west of Vanderhoof, although cattle ranches can be found south of Burns Lake as well.

Northeast Region

The Northeast region is the largest of the development regions. It represents 21.8 per cent of the land area of the province, and 1.8 per cent of the population. Generally, the terrain is flat in the north and east, and mountainous in the south and west. The central part of the region extends westward beyond the Rockies into the Omineca Mountains, an area where lode gold mining has commenced and a number of promising metallic mineral deposits have been discovered.

Grain, forage crops and beef cattle traditionally provided the economic base of the triangle extending from Chetwynd to Dawson Creek and Fort St. John. Over the past three decades, the forest industry, oil and natural gas, and hydroelectric power projects have provided much of the region's economic growth. In the 1980s, growth was largely attributable to the development of coal mines southwest of Dawson Creek in the vicinity of the new community of Tumbler Ridge.

Chapter 4
British Columbia 50 Years Ago



4: British Columbia 50 Years Ago

Overview

The year 1939 marked the end of 20 years of turbulent economic times between the First World War and the dawn of the Second World War. The world, and British Columbia, would never be the same again. The war spurred demand for the province's natural resources and set the stage for a period of rapid economic expansion and development in the 1950s and 1960s.

This chapter looks at the year 1939 and the preceding two decades through the eyes of photographers, historians and writers of that time. Historical data from the first edition of this *Review* and other British Columbia and federal government publications provide more concrete information on the period.

Film advertising with military flavour, Kamloops, 1941.

The first edition of the *Economic and Statistical Review* was produced by the Department of Finance 50 years ago in 1939. The name of this first publication was *A Review of the Resources, Production and Governmental Finances.* It summarized the "Economic Status" of British Columbia in 1939 as follows:

Economic Status — as portrayed by the first *Review*

"British Columbia is a province rich in natural wealth both developed and undeveloped. Her economic progress has been at a rapidly accelerating pace in the past few years and despite the heavy impact of the depression of 1929–34 on her as a primary producer, she has made strides that have in many ways carried her past her pre-depression successes. British Columbia ranks first in Canada among the Provinces in per capita purchasing power and per capital national wealth. In the fiscal year ended March 31, 1939, with a population of about 800,000, $10,974,000 in Dominion Income Tax was collected in the Province, as against $11,185,000 in the Prairie and Maritime provinces with a combined population over 3,500,000. Her per capita payments of Dominion Income Tax were second only to those of Ontario, whose predominance may, to some considerable extent, be attributed to the centralization of head offices in that Province."

Fifty years later, federal income taxes collected in British Columbia totalled an estimated $8.7 billion, while provincial income taxes amounted to $4 billion.

Yet, many things have not changed. Here is how a *Canada Year Book* of the period, published by the Dominion Bureau of Statistics (now Statistics Canada), described British Columbia:

British Columbia — as portrayed by the *Canada Year Book*

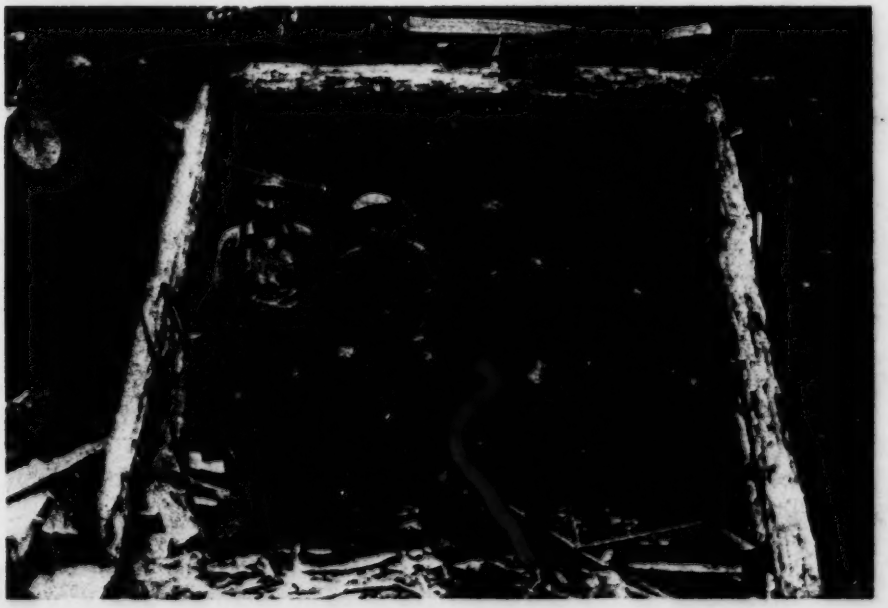
"The eastern slope of the Rockies is for the most part in the Province of Alberta and down the other side British Columbia extends to the sea, rising and falling over the Selkirk and Coast Ranges before bathing its western shore in the Pacific. The Province of British Columbia offers the colour and romance of the Cariboo Trail, the beauty of the Kicking Horse Trail and other scenic highways. Indian villages with their characteristic totem poles and dugout canoes, tall Douglas firs, huge cedars, streams tumbling from rocky heights, and wide-flung vistas of myriad lakes and snow-capped mountains are a source of pleasure on every hand. Lakes, streams, and inlets offer fine fishing; the mountains and forests harbour grizzly bear, deer, moose, bighorn sheep, mountain goat and other game in infinite variety. The inland waters of the Province afford thrilling canoe trips and its beautiful fiorded coastal waters invite cruises along the sheltered Inside Passage amid scenes of impressive grandeur. The Province contains four National Parks — Yoho, Kootenay, Glacier and Mount Revelstoke — and suggests to the visitor a vast playground.

If the mountain areas of British Columbia furnish the most imposing scenery, the broad plateaus throughout the Province are equally attractive. The Province also has its lakelands such as that included within the boundaries of Tweedsmuir Park to which Ootsa Lake is the gateway. Vancouver, on Burrard Inlet at the mouth of the Fraser River, is Canada's gateway to the Pacific. It ranks next to Montreal as an ocean port and is a metropolis of great natural beauty. Vancouver Island and the Pacific Coast area are blessed with a climate softened by the Japan Current, which meets the northwest coast to turn south, hugging the coast until it rejoins the equatorial current. Victoria, the provincial capital, with its 'Old Country' charm and sedate atmosphere, is at the southern tip of the Island. In this beautiful city flowers may bloom all year round, and the climate may be compared to that of the south of England."

Economic Expansion — 1900 to WW I

The favourable economic situation of British Columbia described in the 1939 *Review* was a welcome recovery from the Great Depression that had begun a decade earlier. It represented a return to the strong growth that had characterized the early part of the century. Professor W.A. Mackintosh of Queen's University described the province's expansion in *The Economic Background of Dominion-Provincial Relations.*

> *"British Columbia became a region in which the proportion of exports to total production was high; it bought somewhat more from other parts of the country than it sold to them and it was characteristically an importer of capital. In the period, 1896–1920, the importance to it of the Canadian market had increased. Of its major industries, the lumber industry found the prairie market much more important than the export market; non-ferrous metals, which predominated in the mining industry, were entirely exported; of the coal produced an important proportion was exported directly or indirectly through the smelters; the fishing and fish-canning industry had their major markets outside the Province and to a great degree outside the Dominion."*[1]



Miners at entrance to mine near Zeballos on Vancouver Island, 1939.

[1] W.A. Mackintosh, *The Economic Background of Dominion-Provincial Relations* (Toronto: McClelland and Stewart, 1964), p. 52. Professor Mackintosh completed this study for the Royal Commission on Dominion-Provincial Relations in the spring of 1939, after a first draft was circulated to the federal and provincial governments for comment. More commonly known as the Rowell-Sirois Commission, after its chairmen, the commission was established by the federal government in response to the economic strains caused by the Great Depression.

The Roaring '20s — Industrial Growth and Diversification

The bust and subsequent boom in the 1920s were the result of savings in markets for the province's products in the United States and abroad, a recurring theme in British Columbia's development. Between 1920 and 1925:

> *"The depression in British Columbia was sharp but not as prolonged as in Nova Scotia or the Prairies. The contraction to the low point of 1921 was greatest in the forest industries (dependent to a high degree on the prairie market), and less in fisheries, mining, and manufacturing. British Columbia had not participated to the same extent as the other regions in the war boom and her contraction was correspondingly less."*[1]

Between 1925 and 1929, the Canadian economy was growing rapidly once again. In the section of his study devoted to British Columbia, Mackintosh describes the reasons for the expansion in British Columbia:

> *"The development of British Columbia industry during the decade [ed., 1920s] was relatively greater than for the country as a whole. It was comparable to that of the Prairie Provinces in which, however, increases were concentrated more in the second half of the decade.*

Table 4.1 Percentage of Net Production of Certain British Columbian Industries to Total Canadian Net Production in the Same Industries

	1920	1923	1926	1927	1928	1929
Forestry	21.3	21.9	24.7	24.7	25.6	25.7
Fisheries	45.3	48.8	48.6	47.1	48.3	44.7
Mining	18.5	20.5	27.3	24.6	23.5	21.9
Construction	11.5	7.9	7.7	7.8	8.6	9.1
Manufacture	4.9	6.3	7.4	7.4	7.4	6.6
TOTAL, Goods-Producing Industries	6.2	7.6	8.0	7.5	7.5	8.4

Source: W. A. Mackintosh, *The Economic Background of Dominion-Provincial Relations* (Toronto: McClelland and Stewart Ltd., 1964) Table 9, p. 90.

> *In comparison with other regions and with other industries in British Columbia, the forest and mining industries experienced phenomenal growth. Their expansion was, in large part, the result of two changes which had revolutionary effects on the position of the region: (1) the opening of the Panama Canal, and (2) the discovery of a method for treating the complex non-ferrous metal ores of the Kootenay district."*[2]

[1] W.A. Mackintosh, p. 75.
[2] W.A. Mackintosh, p. 90.

Heavy grade train engine, Rockies.

According to Mackintosh, the opening of the Panama Canal in 1914 gave British Columbia a significant cost advantage in selling lumber on the eastern seaboard of the United States. As a result, there was a large increase in lumber exports to the Atlantic Coast during the 1920s. In addition, China and Japan had become important markets. During this period, mining and pulp and paper became an increasingly significant part of British Columbia's industrial base, as outlined by Mackintosh:

> *"The great increase in the British Columbian mining industry dates from 1923. It had expanded substantially during the war years on the basis of very high prices for base metals. The larger plants, more complete technical equipment, and resources for experimentation gained in this period, had resulted by 1923 in a process for treating complex ores in which the cheap available hydro-electric power was of the first importance. By 1923, the mineral industry had fully recovered its war-time peak and by 1925 it was 50 per cent above the 1923 level.*
>
> *The expansion of these two industries was followed, particularly after 1925, by expansion of the manufacturing and construction industries, reflecting a high rate of investment in the region for which new markets had been opened and old resources enhanced in value. The growth of Vancouver, which had been held in check during the war period, reflected not only the rapid rate of industrial expansion in the province, but also the extension of its metropolitan influence into the prairie region.*

View from Hotel Vancouver with intersection of Georgia and Burrard Streets in foreground and Stanley Park in background, 1922.

> *The expansion of the 1920s was much less dependent on the prosperity of the wheat-growing region than that of the pre-war period, though inland lumber still relied on that market. British Columbia, to a much greater degree than formerly, had succeeded in reaching export markets directly with her own products. She had made great gains but her position was vulnerable. Base metals were notoriously variable in price. Her chief lumber markets were dependent on the continuance of favourable tariff treatment. The high ratio which freight rates bore to the mill-price of lumber meant that fluctuating ocean rates would bring sharp changes of fortune to the industry. The prairie market, itself vulnerable, was still of great importance. In background there was also the fact that the expanding industries were based on resources subject to depletion."*[1]

The Great Depression

The most difficult economic period experienced by most British Columbians living today was the recession of the early 1980s. However, the Great Depression was much more severe and had a greater psychological impact. It was to become a defining experience and reference point for an entire generation.

Historian Michael Bliss outlines the causes of the Depression:

> *"The Great Depression . . . was an international crisis, rooted in the deep dislocations caused by the Great War of 1914-18 and its aftermath, then made worse by governments' nationalistic attempts to shelter their own producers at foreigners' expense. Historians still argue about the causes and course of the Depression, but it was characterized (perhaps caused) by surplus productive capacity, particularly of primary products, and very low investment in the United States."*[2]

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[1] W.A. Mackintosh, pp. 92–94.

[2] Michael Bliss, *Northern Enterprise: Five Centuries of Canadian Business* (Toronto: McClelland and Stewart, 1987), p. 412.

"Jobs mean security" — unemployed man, Victoria, c.1938.

The Depression, which began in 1929, had a major impact on British Columbia, but its effects were not as severe as in the Prairie provinces. Chart 4.1 shows the decline in per capita personal income in the four western provinces during the Depression. It is important to note that these figures are in current dollar terms and that prices fell during the 1929–33 period. Nevertheless, the declines in real income in each province were substantial.

Unemployment Relief

Until the Depression, the view that government had a responsibility to assist the unemployed was not widely held. However, the depth and severity of the Depression and the growing social unrest that resulted led to the expansion of "unemployment relief," as noted in the 1939 *Review*:

> *"The question of aid to the unemployed did not become a problem in British Columbia until 1930. Whilst other depressions had caused distress through unemployment, their duration and severity and a different social concept of the responsibility of the state, had not created the need for large relief expenditure. When in October 1930, it was estimated that the number of unemployed persons was about eight thousand, government relief was started on an organized basis.*
>
> *While the Dominion Government has consistently refused to acknowledge constitutional responsibility for unemployment relief, it has assisted the Province, and the municipalities through the Province, in some cases up to fifty percent of the cost involved."*

Chart 4.1 Personal Income Per Capita, 1926–1939

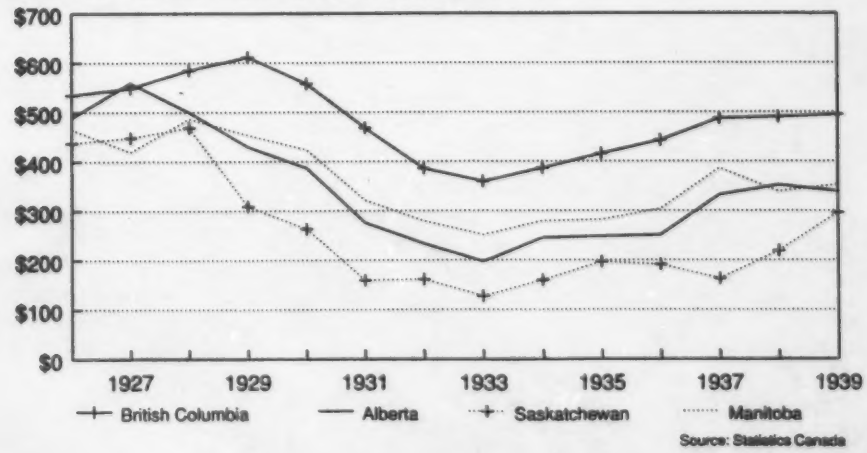
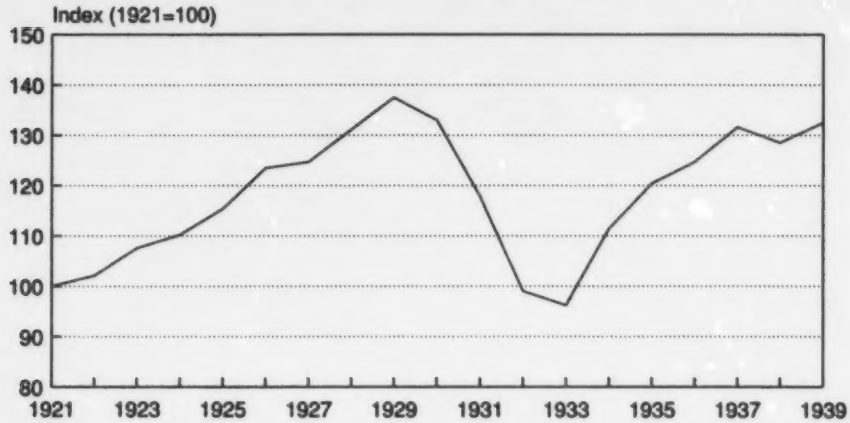


Chart 4.2 shows the sharp decline in employment that caused the number of unemployed to soar. Between 1929 and 1933, employment in British Columbia fell approximately 30 per cent. By comparison, employment fell only 6.3 per cent between 1981 and 1983.

Chart 4.2 Employment Index, British Columbia, 1921–1939



Source: Statistics Canada

The unemployment relief that was provided was not like current unemployment insurance; it was similar in concept to provincial social assistance payments available today.

Relative to the size of the population the number receiving unemployment relief at the depth of the Depression was very large. The 1939 *Review* stated that the number of "cases" in receipt of relief peaked in March 1933 at 122,858. This compares to a provincial population of about 717,000 in that year.

A Crisis of Confidence

The country's reliance on foreign trade and its inability to do much about its economic circumstances were a source of great frustration and pessimism for Canadians, as Michael Bliss points out:

> *"In Canada it would not have helped to have had Franklin D. Roosevelt and his New Deal to wrestle with the depression; nor would an earlier adoption of the new economics of John Maynard Keynes have made a great difference. Canada's was a far more open economy than the United States, highly dependent on international trade. The country could not recover its vitality until the major export industries regained their health. Canada depended on world markets which its government was virtually powerless to influence. By the late 1930s there were some who wondered if the world markets would ever recover. Perhaps Canada was doomed to permanent depression, they opined, because it had too many producers cutting and harvesting and milling products the world did not want."*[1]

[1] Michael Bliss, p. 412.

Bliss notes that there was widespread sentiment in favour of an expanded role for government to get the country moving again:

> *"The Great Depression led business and many other Canadians to increase their reliance on the state for the direction of the economy. As this reliance was reinforced by conditions of 'war socialism' during the struggle against Hitler, and by the new economics after the war, the Canadian business climate became increasingly involved with and shaped by government action."*[1]

Recovery

The recovery from the Depression did not begin until the mid-1930s and favoured the more industrialized provinces. According to W.A. Mackintosh:

> *". . . better techniques, improved competitive positions in foreign markets, new discoveries, the increased price of gold, Empire preferences, and the more fortuitous circumstances of a British building and a world armament boom brought the newer exporting areas of northern Quebec and Ontario, and British Columbia to the fore. The total of the exports of gold, other non-ferrous metals, pulp and paper, and lumber was considerably greater in 1937 than in 1929 and in large part filled the gap left by the shrunken exports of agricultural produce. The total of all exports in 1937 was nearly as large as it had been in 1929 and the disparity between export prices, import prices, wholesale prices, and the cost of living had virtually disappeared."*[2]

The Province in 1939

Population

Despite the severity of the Depression, British Columbia's population increased from approximately 694,000 in the 1931 Census to 792,000 in 1939. This represented a population density of 2.2 people per square mile, the lowest among the nine Canadian provinces. Today, Saskatchewan, Manitoba and Newfoundland have lower population densities than British Columbia.

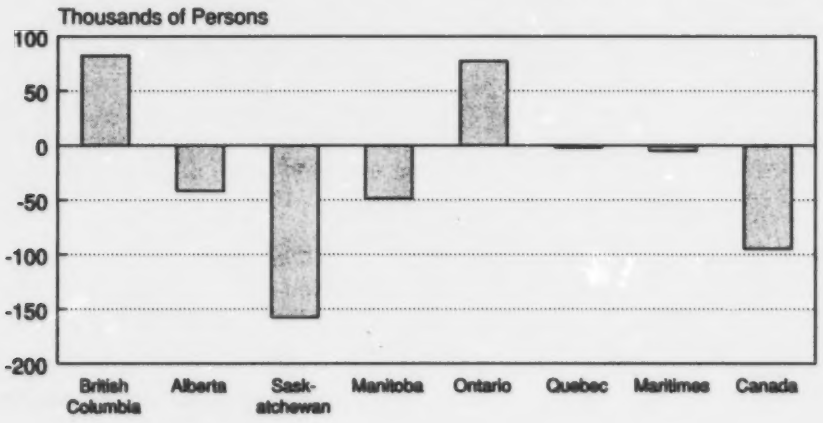
Annual banquet of the Similkameen Historical Society, September 1938.

[1] Michael Bliss, p. 412.
[2] W.A. Mackintosh, p. 119.

The population of Vancouver was approximately 270,000 in 1939, while Victoria's population was about 41,000.

Most of British Columbia's population increase during the 1930s appears to have been the result of in-migration. Chart 4.3 shows net migration to each province from within Canada and abroad between the 1931 and 1941 Census.

Chart 4.3 Net Migration by Province, 1931–1941



Source: Statistics Canada

The devastation on the prairies caused by the Depression is evident in the huge net outflows of people from Alberta, Saskatchewan and Manitoba. Most of these people appear to have migrated to British Columbia, Ontario or the United States, where conditions during the 1930s were poor, but not as bad as in the prairie "Dust Bowl."

Labour Market

Economic conditions improved significantly by 1939. The index of British Columbia employment produced by the Dominion Bureau of Statistics had risen 38 per cent from its trough in 1933. In 1939 alone, employment increased 3.1 per cent. (Data appearing in this section are from the *Canada Year Book*, the *Historical Statistics of Canada* and early editions of the *Review*.)

Unfortunately, no accurate figures on actual levels of employment, number of people in the labour force or unemployment are available but, based on the 1941 Census figures, the provincial labour force appears to have numbered around 260,000 people, or 32.5 per cent of the entire population. By comparison, in 1989, 51.7 per cent of the population was in the workforce, reflecting the growth in female participation.

Women on the job, Victoria Machinery Depot, c.1943.

Approximately 40,000 male workers were employed in agricultural occupations in 1939. This is similar to the number of people currently employed in agriculture, but represented a much larger share of employment in 1939 than it does today.

Aggregate wages and salaries increased 2.0 per cent to $252 million in 1939, while personal income totalled $392 million, 3.2 per cent higher than in 1938. This represented real income gains, as the Cost of Living Index for British Columbia *fell* 0.7 per cent in 1939. This was similar to the 0.8 per cent decline in the Canadian Consumer Price Index.

The average wage earner in British Columbia earned $26.01 per week in 1939, compared to the Canadian average of $23.44. Typical hourly wage rates in Vancouver construction occupations were 83 cents for carpenters, 88 cents for electricians, $1.00 for plumbers and 48 cents for labourers. Factory workers earned about 45 or 50 cents an hour in Vancouver. Vancouver Island contract coal miners were paid 88 cents hourly, while the average wage for chokermen in British Columbia logging operations ranged from 55 to 65 cents per hour.

The average work week in 1939 appears to have been 44 to 48 hours and up to 60 hours in some occupations. The minimum was 40 hours.

Industrial Structure and Performance

Other economic statistics available for 1939 provide insight into the structure and performance of the British Columbia economy. Most of the data produced during that period related to goods production and, in particular, primary industries such as agriculture, fishing, mining and logging. Fewer data were available on secondary manufacturing industries such as pulp and paper or other industries such as construction. And although today's data on service industries are considered to be relatively sparse, it was even more so in 1939.

Goods-Producing Industries

The Dominion Bureau of Statistics' Census of Manufactures is the source of much of the industrial data available for the 1930s. Perhaps the best single indicator of economic performance for British Columbia for the years before provincial economic accounts were available is "net value of production." This number was similar in concept, if not coverage, to today's index of industrial production. According to the *Canada Year Book*, it measured the "value left in producers' hands after elimination of the cost of materials, fuel and purchased electricity and supplies consumed in the process of production."

Industries included in measuring net value of production were agriculture, forestry, fishing, trapping, mining, electric power, construction, custom and repair, and manufacturing. Essentially, this covers what is known today as the goods-producing sector.

In 1939, the net value of production totalled $253.6 million, up 2.9 per cent from 1938. The comparable figure for Canada was $3.22 billion, an increase of 8.4 per cent from 1938. This suggests that the Canadian economy as a whole performed better than British Columbia in 1939.

Agriculture and Fishing

It appears that more historical statistics are available on agriculture than any other industry. This probably reflects the importance of agriculture at the time when Canadian economic statistics were first developed. However, agriculture has never been as important in British Columbia as it has in most other provinces because of the relatively small proportion of suitable land.

Baling hay near Victoria.

Approximately 40,000 males were employed in agricultural occupations in 1939. The number of people living on the 26,000 farms in the province numbered approximately 100,000, or one-eighth of the population. The value of land, buildings, machinery and equipment, livestock and poultry on these farms totalled $149 million.

Although agricultural product prices declined 1.5 per cent in 1939, farm cash receipts totalled $30.2 million, up 1.9 per cent from the previous year. Farm cash receipts were back to their 1930 level after bottoming at $18.1 million in 1932. Realized net farm income (gross income minus expenses) totalled $18.2 million, or about $700 per farm.

Fishing

Fishing was one of British Columbia's first industries.

In 1939, the value of fish production totalled $17.7 million, down 5.2 per cent from 1938. Salmon accounted for $13 million or 73 per cent of this total. About 63 per cent of fish production was exported outside Canada, with most of the remainder being shipped to other Canadian provinces.

The *Review* said that fishing and fish packing employed about 17,474 people in 1939.

Unloading salmon at Garry Point Cannery, Fraser River.

Logging, Sawmilling, and Pulp and Paper

The 1939 *Review* said that "normally upwards of 30,000 people" were employed in the province's forest products industry with an annual payroll of $50 million. Capital investment in the industry was estimated at $350 million.

In 1939, the gross value of production totalled $88.2 million, up 31 per cent from 1938. This sharp increase was due to the extreme fire hazard that had limited activity in 1938. The value of forest industry exports totalled $68.4 million and went mainly to other Canadian provinces, the United States and the United Kingdom. According to the *Review*, forest products accounted for 45 per cent of the province's total exports.

Proud mill workers loading shakes.

Sawn lumber and other sawmill products made up the bulk of the value of forest industry production in 1939, totalling $54.7 million. Over 2.2 billion board feet of lumber were produced.

Mining

The total value of mine production in 1939 was $65.7 million, up 1.8 per cent from 1938. The most significant products were: gold, accounting for 35 per cent of the total value of mine production; lead, accounting for 18 per cent; copper, accounting for 11 per cent; and coal, which accounted for 10 per cent.

The *Review* estimated that 15,890 people were employed in mining in 1939, earning wages totalling $22.4 million, or about $1,400 per worker. Industry exports, including gold exports regulated by the federal *War Times Measures Act*, were valued at $51.6 million and represented about 38 per cent of British Columbia's total exports outside the province.

Construction

The *Canada Year Book* reported that 10,751 construction workers were employed in 1939, earning wages and salaries totalling $12.4 million. The value of work performed totalled $27 million, slightly lower than in 1938, perhaps due to diversion of resources to the war effort in the latter part of the year. No information on housing starts or completions was available but, in all of Canada, only 42,200 housing units were started in 1939. Today, this is roughly equivalent to the annual level of starts in British Columbia alone.

Manufacturing

Data from the Census of Manufactures, as reproduced in the *Review* and the *Canada Year Book*, indicate that 42,554 people were employed in manufacturing in British Columbia in 1939, up only slightly from 1938. Wages and salaries paid totalled $53.9 million and the gross value of production was $247.9 million. The net value of production (after deducting the cost of inputs) was $103.3 million, 14.1 per cent higher than in 1938, a substantial gain relative to the performance of other industries. Table 4.2 provides key statistics on the province's 10 largest manufacturing industries in 1939, ranked by gross value of production. There is some overlap between these statistics on manufacturing and those for other industries presented above (for example, in sawmilling).

Table 4.2 Manufacturing Industries of British Columbia, 1939

Sector	Number of Establishments	Number of Employees	Salaries and Wages	Gross Value of Production
			($ thousands)	
Sawmills	251	12,603	15,491	54,685
Fish curing and packing	67	1,658	1,878	17,474
Pulp and paper	6	2,555	3,953	16,006
Slaughtering and meat packing	12	831	1,140	11,902
Petroleum products	4	274	527	9,144
Fruit and vegetable preparations	64	1,212	979	6,677
Bread and other bakery products	276	1,928	2,020	6,468
Coffee, tea and spices	13	315	382	6,212
Butter and cheese	36	817	1,054	5,986
Printing and publishing	78	1,628	2,526	5,534

Source: Department of Finance, *A Review of Resources, Production and Governmental Finances*, Third Edition (Victoria, 1942).

Service Industries

Very little information exists on the service industries in Canada and British Columbia prior to 1950. The data available for British Columbia mainly cover wholesale and retail trade.

Wholesale and Retail Trade

In 1939, there were about 44,000 people involved in retail trade and 12,000 employed in wholesale trade. Today, there are over 270,000 people employed in these two areas.

Tighe and Wheeler Cafe, 653 Yates Street, Victoria, c.1912.

Consumer spending was fairly weak at the end of the 1930s. Retail sales increased slightly from $240 million in 1938 to $242 million in 1939. However, this was still below the peak of $255 million reached in 1937.

Today, automobile purchases are a major component of consumer expenditures and an important force in the economy. However, there were far fewer cars on the road in 1939 than there are now. The number of motor vehicles registered totalled 122,087, up 2.4 per cent from 1938. British Columbia first began motor vehicle registration in 1907. The number of vehicles registered rose steadily from 175 that year to 28,000 in 1920 and 98,938 in 1930. Registrations stalled during the Depression, declining to a low of 88,554 in 1933.

Unlike the rest of Canadians, British Columbians and Nova Scotians drove on the left-hand side of the road when cars first appeared. The driver of one of the cars involved in this Vancouver accident may have been from outside the province.

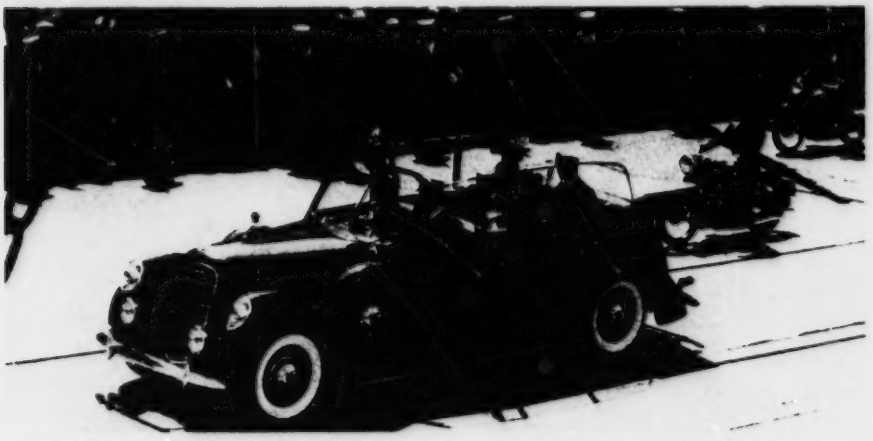
Tourism

The 1939 *Review* said that tourism had bright prospects:

> *"The Province has been so richly endowed with natural attractions that need only accessibility to turn them into realizable assets that there is every reason to expect that in the near future this industry will be the most important seasonal occupation in many parts of British Columbia."*

Cruising near Princeton, c.1918.

Despite the optimism about the future, it appears that the lingering effects of the Depression and impending war took their toll on the tourism industry; estimated expenditures by tourists in British Columbia declined from $32 million in 1936 to $30 million in 1939.



Royal Tour of King George VI and Queen Elizabeth, Victoria, May 1939.

British Columbia's two most popular and important visitors in 1939 were Their Majesties King George VI and Queen Elizabeth. They travelled by rail through Canada and the United States during May and June of that year. This was the first visit ever made to Canada by a reigning monarch and large crowds gathered wherever the King and Queen appeared. On May 29, they arrived in British Columbia. Here is their itinerary in the province, as printed in the 1940 *Canada Year Book*:

> *"**Vancouver** — Monday, May 29 — having spent the previous day travelling through the Rockies, via Field, Beavermouth, Stoney Creek, Glacier, Revelstoke, Sicamous, Monte Creek, Kamloops, and Keefers (night), the Royal Train arrived at Vancouver in the morning. Following the reception at the City Hall, where His Majesty performed the Ceremony of the Mace and attended a civic luncheon, Their Majesties were taken for a long drive through Vancouver and its environs. In the evening they left for Victoria escorted by H.M.C. ships* Fraser, Ottawa, Restigouche, *and* St. Laurent, *and by aeroplanes of the R.C.A.F., and stayed at Government House.*
>
> ***Victoria** — Tuesday, May 30 — After receiving Civic and Provincial Government welcomes, Their Majesties attended a luncheon given by the Government of British Columbia; His Majesty addressed the gathering, his speech being broadcast by the Canadian Broadcasting Corporation. In the afternoon, the King presented a Colour to the Royal Canadian Navy, this being the first naval ceremony of this nature to be held outside the United Kingdom. The following day Their Majesties left Victoria and travelled via Vancouver, New Westminster, Mount Lehman, Chilliwack, Hope, Boston Bar, Mount Robson, and Red Pass Junction to Jasper, arriving on Thursday, June 1. Here Their Majesties enjoyed the beauties of Jasper National Park for half a day."*

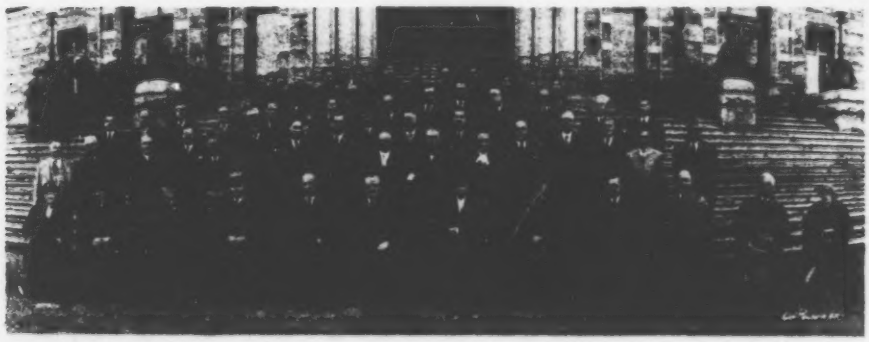
Politics and Government

Elected Representatives

There were 48 members of the provincial legislative assembly in 1939. The majority Liberal government of Premier Thomas Duff Pattullo, elected June 1, 1937, had 31 members. The Conservative Party had eight members and the Cooperative Commonwealth Federation (CCF; later to become the New Democratic Party) seven. There was one Labour Party member and one independent.

The provincial Cabinet consisted of:

Premier and President of the Executive Council	Hon. T. D. Pattullo
Provincial Secretary and Minister of Education	Hon. G. M. Weir
Attorney-General	Hon. G. S. Wismer
Minister of Lands, and Municipal Affairs	Hon. A. W. Gray
Minister of Finance	Hon. John Hart
Minister of Agriculture	Hon. K. C. MacDonald
Minister of Mines, and Trade and Industry	Hon. W. J. Asselstine
Minister of Public Works	Hon. F. M. MacPherson
Minister of Railways, and Labour, Commissioner of Fisheries	Hon. G. S. Pearson



Members of the Legislative Assembly, first session, 19th Legislature, 1937.

British Columbia was represented in the House of Commons in Ottawa by 16 Members of Parliament, elected in 1935. Six of them were members of the Liberal government of Prime Minister William Lyon Mackenzie King, five represented the Conservative Party, three were from the CCF and one was from the Reconstruction Party. There was one independent.

The federal Cabinet numbered 15. One member was from British Columbia, the Honourable I.A. Mackenzie (Vancouver Centre), who was Minister of Pensions and National Health.

Elections — Then and Now

Introduction

This topic box compares the electoral system of today to that of 50 years ago. Comparable election information is given for the June 1, 1937 and October 22, 1986 elections.

The *Constitution Act* provides the authority for the division of the province into electoral districts.

In 1939, the number of members of the legislative assembly (MLAs) and the boundaries of each district were provided for under the *Constitution Act.*

The *Electoral Districts Act*, which becomes law upon the dissolution of the current Parliament, provides for the number of members of the legislative assembly and the new boundaries of each district.

Electoral Districts

In 1939, there were 41 electoral districts in the province. Vancouver-Point Grey and Victoria City were three-member ridings, and three others in Vancouver were two member ridings, resulting in a total of 48 MLAs. These districts were selected by a Special Committee of the Legislative Assembly.

There were 10 MLAs from Vancouver Island (21 per cent of the legislative assembly), 9 from Vancouver (19 per cent), 7 from the remainder of the Lower Mainland, the Fraser Valley and the Sunshine Coast (14 per cent), and 22 from the Interior (46 per cent).

In 1987, the Royal Commission on Electoral Boundaries for British Columbia (the Fisher Commission) was created to recommend changes to the electoral map. The commission recommended the establishment of 75 single-member ridings, necessitating extensive changes to electoral district boundaries and changes to the names of several districts. The report of the commission was referred for review to the Select Standing Committee on Labour, Justice and Intergovernmental Relations. The select standing committee recommended the implementation of most of the commission's recommendations, with changes to the names of some districts. The recommendations of the select standing committee were adopted by the legislative assembly.

In 1989, the *Electoral Boundaries Commission Act* was passed. The act established a three-person commission that will advise the legislative assembly on further changes to the electoral map on a regular basis.

Following the next election, there will be 13 members from Vancouver Island (17 per cent of the legislative assembly), 10 from Vancouver (13 per cent), 29 from the remainder of the Lower Mainland, Fraser Valley and the Sunshine Coast (39 per cent), and 23 from the Interior (31 per cent).

Representation

In the 1937 election, average representation was one member for each 8,707 registered voters. However, the number of registered voters for each MLA deviated widely from the average. Atlin had 1,618 registered voters compared to Vancouver-Point Grey, where there were 13,659 registered voters for each of its three members.

In the 1986 election, average representation was one member for 28,050 registered voters. In that election, Atlin had 3,174 registered voters, while Vancouver-Point Grey had 27,252 registered voters for each of its two members.

The Fisher Commission recommended that the maximum deviation from the average of population per electoral district be consistent with the federal formula of plus or minus 25 per cent. Under the new electoral boundaries, the districts deviating the most from the average are Okanagan-Boundary, which will have 24.1 per cent fewer people per member than the average and Vancouver-Kensington, which will have 17.4 per cent more people per member than the average.

Electoral System

In the 1937 election, as in almost all provincial elections in British Columbia, members were elected through a simple majority system. In the 1952 and 1953 general elections, however, the alternative ballot system was implemented. This system called for candidates to be ranked by voters in order of preference. If a candidate had a majority of first choices, he or she was elected. If no candidate had a majority of first choices, the candidate with the lowest number of first choices would be eliminated, and his or her second choice votes distributed among the other candidates. This would be repeated until one candidate received a majority. The province reverted to the simple majority system following the general election of 1953.

The Franchise

In 1939, Canadian citizens or British subjects 21 years of age or older and resident in the Dominion of Canada for 12 months and British Columbia for six months were eligible to vote. However, under the *Elections, Provincial Act*, Chinese, Japanese, Hindus and native peoples of the province were not entitled to vote unless they had served in the armed forces. In the case of native peoples, if a person was enfranchised under the federal *Indian Act* to vote in a federal election or was not resident on a native Indian reserve, he or she could also vote in a British Columbia provincial election. In 1948, the provincial franchise was extended to all Hindus and Chinese, and in 1949 to all Japanese and native peoples. Today, Canadian citizens 19 years of age and older who have resided in the province for six months prior to registering to vote are eligible to cast a ballot.

Voter Turnout

In the general election of 1937, 71.2 per cent of registered voters cast ballots. Out-of-province voting and advance polling were not permitted.

By 1949, advance polling was permitted and by 1986, out-of-province voting was permitted. In the 1986 general election, 77.2 per cent of registered voters cast ballots.

Cost of Elections

In the general election of 1937, the cost to the provincial government of a vote cast was 70 cents. In 1986 dollars, this would be equivalent to $6.02.

The cost to the province of a vote cast in the general election of 1986 was $5.46 per vote.

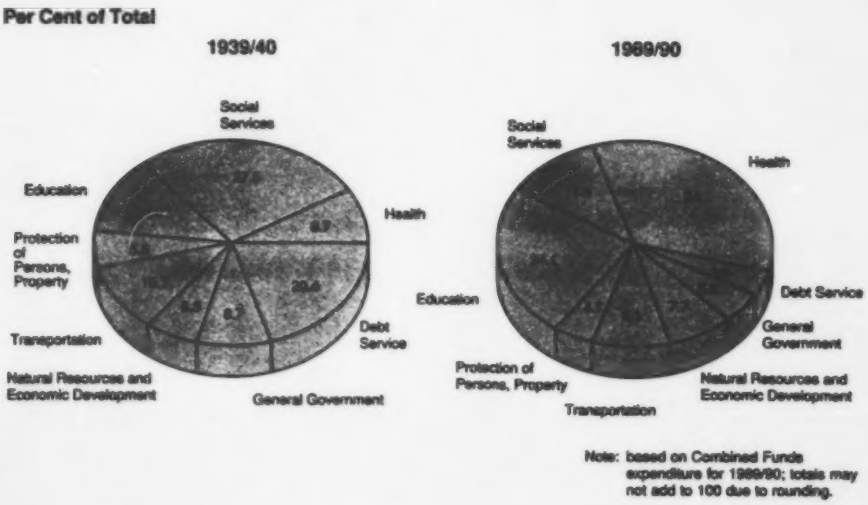
Provincial Finances

Government was less involved in the economy in 1939 than it is today, although the view of the appropriate economic and social responsibilities of the state had been changed fundamentally by the Depression.

Government spending relative to the size of the economy is one measure of the role the state plays. In 1939, spending by all governments in Canada totalled just under $1 billion, representing 21.7 per cent of gross domestic product (GDP). In 1989, expenditures by all governments were equivalent to 41.6 per cent of GDP.

In British Columbia, the provincial government spent just over $38 million in the 1939/40 fiscal year. This compares to a Combined Funds expenditure of $13.2 billion in 1989/90.

Chart 4.4 Provincial Expenditure by Function, 1939/40 and 1989/90



Note: based on Combined Funds expenditure for 1989/90; totals may not add to 100 due to rounding.

As Chart 4.4 shows, the nature of this spending was quite different than today. The major differences are that:

- the provincial government played a much smaller role in the health and education fields 50 years ago;
- debt servicing charges accounted for a much higher percentage of expenditures in 1939/40; and
- unemployment relief (social services) expenditures put a major strain on government finances.

In 1939, there was no widely-available, publicly-funded medical insurance, and the demand for education was much less than today. Most people did not complete high school, and university degrees were a rarity. For example, in 1940 there were only 2,724 undergraduate students and 163 graduate students enrolled in university programs in British Columbia. They were taught by 131 full-time instructors.

School days, British Columbia.

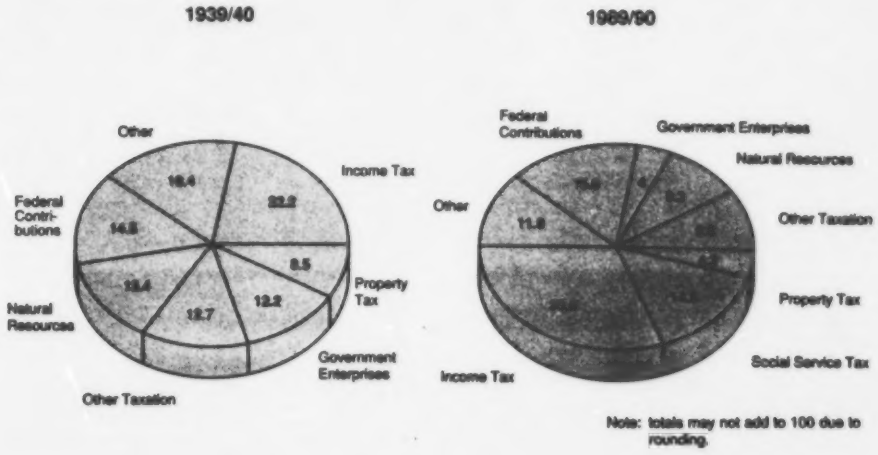
The structure of government revenues was also very different in 1939 than today. Revenue systems were in a state of flux throughout the 1930s due to poor economic conditions. A "tax jungle" had developed as governments scrambled to cope with the effects of the Depression:

> *"Both the federal and provincial governments attempted to prevent revenues from declining during the Depression by increasing taxes. The federal government increased its sales tax from 1 per cent to 8 per cent, doubled the personal income tax, and imposed new import duties. The provinces increased the gasoline sales tax by 50 per cent and raised succession duties and flat-rate taxes on corporations. By 1940, all (or virtually all) provinces were taxing personal and corporate incomes, and Saskatchewan and Quebec had introduced a retail sales tax. There was little or no cooperation between the federal and provincial governments in taxation as both governments scrambled for revenues and produced a chaotic tax jungle of joint occupancy, high tax rates, duplication of administrative machinery, and regressiveness in taxation which contributed to the severity of the Depression by undermining business confidence and incentives."*[1]

[1] J.C. Strick, *Canadian Public Finance* (Toronto: Holt, Rinehart and Winston, 1973), p. 7.

In 1876, British Columbia became the first province in Canada to adopt a personal income tax. It was the single largest source of revenue for the province in 1939/40 (see Chart 4.5). Other revenues were derived mainly from various types of taxes or levies on resources, property, gasoline and liquor. Of note is the absence of a general sales tax or corporate income tax. Revenues totalled $36.5 million.

Chart 4.5 Provincial Revenue by Source, 1939/40 and 1989/90



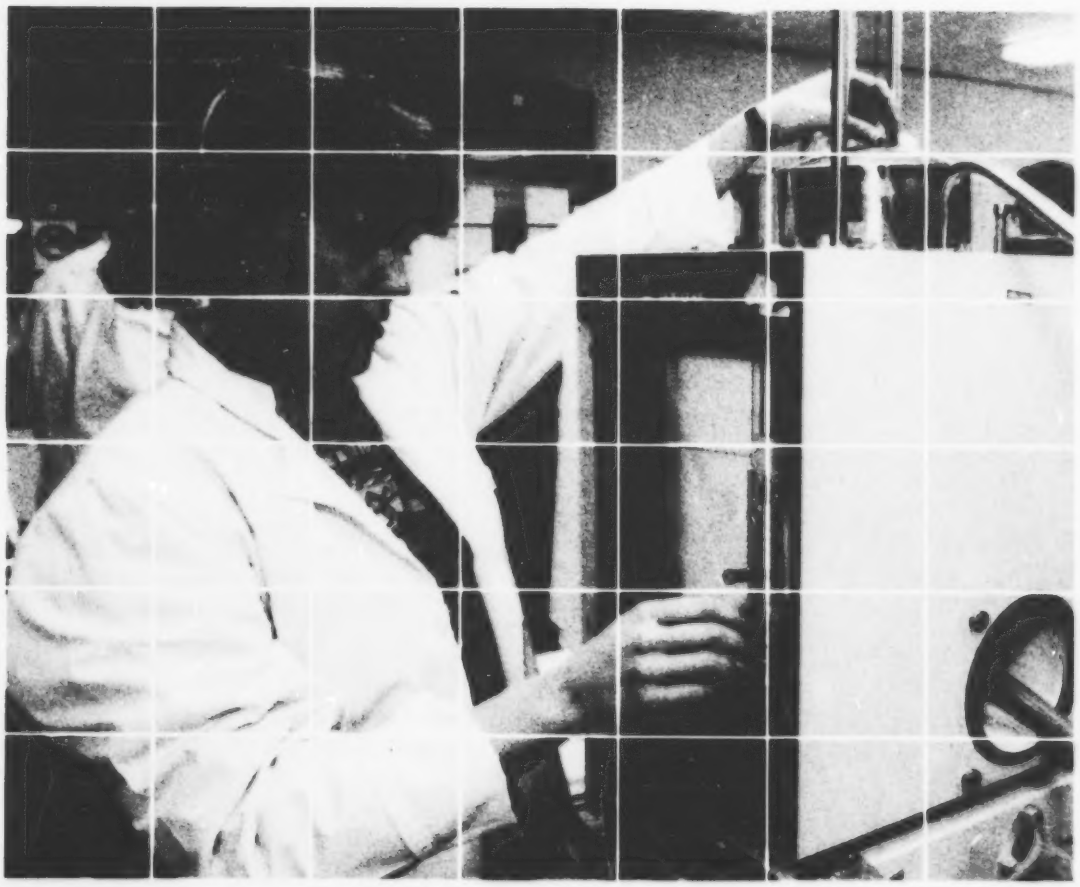
Financial records from the 1930s suggest that the government incurred large operating deficits. These were covered initially by liquidating cash surpluses or investments accumulated prior to the onset of the Depression and later, were financed through borrowing. The 1939 *Review* acknowledged these difficulties:

> *"Realizing the impossibility of meeting all expenditure from current revenue under present conditions, the present administration had endeavoured to strike a balance between current revenue and expenditure by limiting operating costs to the revenue available to care for them, and not charging up relief costs or the bulk of debt redemption to current account."*

Although government accounting conventions were different in 1939/40, it appears that a deficit of approximately $1.5 million was incurred.

The proportionately large debt interest costs of the government in 1939/40 reflect both the large amounts of debt accumulated during the Depression and the refinancing of debt incurred earlier that the government was unable to repay. Net direct and guaranteed debt of the provincial government totalled about $155 million. No provincial GDP figures are available for this period, but the 1939/40 net debt figure would have represented a far higher percentage of GDP than was the case in 1989/90.

Chapter 5
Industrial Structure and Performance



5: Industrial Structure and Performance

Introduction

The province's rich endowment of natural resources and their development form the backbone of British Columbia's economic structure. Large export earnings of the province's forest, mining and other resource sectors provide the impetus for capital investment and an economic base for large numbers of business services.

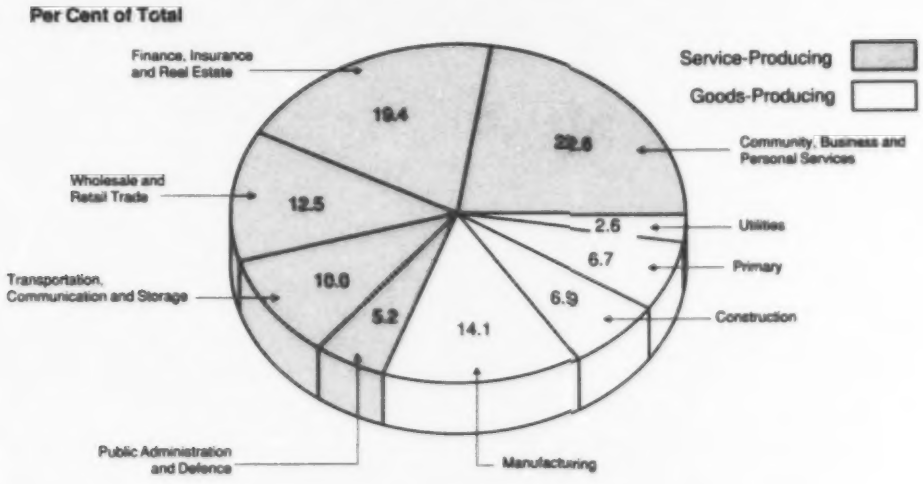
Since the province's relatively small population is unable to support local production of consumer goods or provide a major market for natural resource products, extensive trading relationships have developed with the rest of the world for both resource-based exports and imports of items not produced domestically. This means that economic activity in all sectors is dependent on developments in world markets and fluctuations in internationally-determined commodity prices. Past swings in world commodity prices have subjected the provincial economy to periods of rapid growth followed by slowdowns. These business cycles, while common to all developed economies, have been especially evident in British Columbia.

Fortunately, the uncertainty created by international economic developments and shifting trading patterns has been reduced in recent years through the diversification of British Columbia's export markets. More diversified trade has resulted from increased exports to the rapidly developing economies of the Pacific Rim. Exports to the Pacific Rim region account for 40 per cent of provincial exports and now rival the United States as British Columbia's most important export market. Relative to most other Canadian provinces, British Columbia has become less dependent on the United States market as a destination for exports.

Industrial Structure

The distribution of industrial output reflects the importance of natural resources. Two sectors — primary and manufacturing — accounted for 21 per cent of the province's total gross domestic product in 1989. Primary industries, which include agriculture, fishing and trapping, logging and forestry, and mining, produced output of $4.5 billion in 1989 and employed 84,000 individuals (see Table 5.1). Manufacturing industries, which mainly process primary resource products into goods of higher value, produced output of $9.5 billion and employed 175,000 persons in 1989. In total, the goods-producing sector, including the construction and utilities industries, produced about 30 per cent of the province's total output in 1989.

Chart 5.1 British Columbia Gross Domestic Product by Industry, 1989



Source: Ministry of Finance and Corporate Relations

Table 5.1 Structure of the British Columbia Economy, 1989

Sector	Gross Domestic Product[1]		Employment	
	($ millions)	(per cent)	(thousands)	(per cent)
Agriculture	608	0.9	30	2.1
Fishing and trapping	315	0.5	8	0.6
Forestry and logging	1,688	2.5	28	2.0
Mining	1,872	2.8	18	1.3
Manufacturing	9,502	14.1	175	12.2
Construction	4,683	6.9	99	6.9
Utilities	1,788	2.6	10	0.7
Goods-producing	20,456	30.3	367	25.6
Transportation, communication and storage	6,752	10.0	110	7.7
Wholesale and retail trade	8,441	12.5	271	18.9
Finance, insurance and real estate	13,103	19.4	90	6.3
Community, business and personal services	15,266	22.6	511	35.6
Public administration and defence	3,546	5.2	86	6.0
Service-producing	47,109	69.7	1,068	74.4
Total[2]	67,565	100.0	1,435	100.0

[1] At factor cost.
[2] Totals may not add due to rounding.
Sources: Gross Domestic Product — Ministry of Finance and Corporate Relations. Employment — Statistics Canada.

Service-producing industries generated total output of $47.1 billion, 70 per cent of total provincial gross domestic product in 1989. The service sector was also the province's largest employer, accounting for nearly three-quarters of total employment. Industries within the service sector include: transportation, communications and storage; wholesale and retail trade; finance, insurance and real estate; community, business and personal services; and public administration and defence.

Growth in many of these industries is related to developments in the goods-producing sector. For example, a new construction project generates work for engineering consulting firms (community, business and personal service sector), retailers (wholesale and retail trade sector) and trucking firms (transportation, communications and storage sector). Without the incomes and profits generated by the goods-producing sector, the province's service industries would be much smaller.

The importance of natural resources in the British Columbia economy has influenced the composition of the province's service industries. For example, transportation services are highly dependent on the movement of forest and mineral products to foreign markets, while business services, such as customs brokerage, have emerged to facilitate export flows.

International Trade

In 1989, international exports accounted for one-quarter of British Columbia's total gross domestic product. Merchandise exports of British Columbia origin totalled $17.8 billion in 1989, a 2.2 per cent increase over 1988.

British Columbia also plays an important role in the movement of goods from other parts of Canada to foreign markets. Similarly, a significant portion of commodities imported through the province's ports, such as automobiles and consumer electronics from Japan and South Korea, are destined for other parts of Canada.

Historically, natural resource products have dominated provincial exports. Four sectors — forestry, mining, energy and fishing — generate approximately 80 per cent of total export earnings. About three-quarters of the forest sector's production is exported and almost all of the coal mined in British Columbia is destined for other countries. In the secondary manufacturing sectors, a much lower portion of production is exported. In the emerging high-technology industries, however, there is a heavy reliance on world markets. Many firms in this group were specifically established to meet international demand.

Commodity Exports

In 1989, softwood lumber exports were valued at $4 billion, or 22.8 per cent of British Columbia's exports. Market softness in North America and Europe, partially resulting from declining residential construction activity in the United States, was more than offset by a 22.1 per cent increase in softwood lumber sales to Japan. The United States accounted for 55 per cent of British Columbia's softwood lumber exports; Japan 26 per cent; and the European Community 13 per cent.

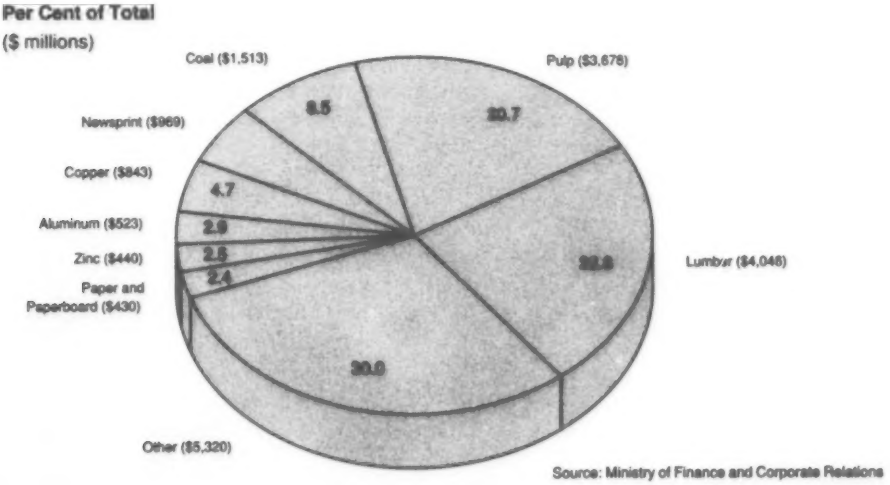
Pulp and paper products have commanded an increasing share of total provincial exports. In 1989, the value of pulp and paper exports reached $5.1 billion or 28.6 per cent of total exports, up from 22.6 per cent in 1979. Pulp exports totalled $3.7 billion in 1989, an increase of 9.2 per cent, with pulp shipments to the European Community accounting for 37 per cent of total pulp exports, and the United States and Japan accounting for 22 per cent each. Newsprint exports increased 2.7 per cent to just under $1 billion in 1989, with about three-quarters destined to the United States. Exports of paper and paperboard declined by 25.3 per cent to $430 million with 49 per cent destined for the United States.

Coal remained British Columbia's leading mineral export in 1989, accounting for 8.5 per cent of total exports. In 1989, coal exports reached $1.5 billion, up 3.8 per cent from 1988. Japan purchased nearly 70 per cent of the province's coal exports with the European Community accounting for 8 per cent.

Metallic minerals worth $1.9 billion were exported from British Columbia in 1989, with more than half going to the Japanese market. The leading metals were copper ores and concentrates ($843 million), aluminum ($523 million) and zinc ($440 million).

Fish and seafood product exports in 1989 were valued at $685 million (see also Appendix Table A1.8).

Chart 5.2 British Columbia Exports by Commodity, 1989



Source: Ministry of Finance and Corporate Relations

Export Markets

Three large markets absorbed the bulk of the province's exports in 1989. In terms of the value of exports, the United States received 41 per cent, Japan 29 per cent and the European Community 15 per cent; an additional 12 per cent went to Pacific Rim countries other than Japan.

This export profile is significantly different from Canada's. About 73 per cent of total Canadian foreign exports were destined for the United States, while 8 per cent went to the European Community, 7 per cent to Japan, and 5 per cent to other Pacific Rim countries. British Columbia products accounted for 58 per cent of total Canadian exports to Japan and 29 per cent of exports to other Pacific Rim nations.

Table 5.2 British Columbia Exports by Country

Country	1985	1986	1987	1988	1989
			($ millions)		
United States	6,249	6,109	7,257	7,443	7,242
Japan	2,962	3,266	4,051	4,706	5,094
United Kingdom	406	518	662	805	788
South Korea	346	388	416	480	682
West Germany	257	274	417	492	575
Italy	136	197	311	353	420
Australia	203	202	272	320	359
Taiwan	182	193	241	344	326
France	162	199	266	268	289
Belgium	167	198	246	259	283
People's Republic of China	284	202	273	270	218
Other countries	954	960	1,279	1,636	1,485
Total[1]	12,308	12,707	15,690	17,377	17,762

[1] Totals may not add due to rounding.
Source: Ministry of Finance and Corporate Relations.

Exports of British Columbia manufactured products, such as auto parts, prefabricated buildings and recreational products, have displayed encouraging growth in recent years. In 1980, value-added exports accounted for only 3.6 per cent of total exports; by 1989 they accounted for 7.5 per cent. The United States is British Columbia's leading export market for manufactured products such as electrical machinery, transportation equipment and wood products. In 1989, the United States received 76 per cent of British Columbia's value-added exports. In contrast, Japan accounted for 15 per cent, reflecting shipments of raw or semi-processed natural resources to Japan.

Like Japan, the European Community is not a major market for manufactured end products. However, the United Kingdom has been a consistent market for general purpose machinery, laboratory and medical equipment, aircraft parts and manufactured wood products. The European Community remains an important market for the province's traditional resource products and export growth has been strong. In 1989, shipments of newsprint to the European Community doubled, while shipments of pulp grew 17.2 per cent from 1988 levels.

Commodity Prices and British Columbia Business Cycles

Importance of Resource Industries

Traditionally, the British Columbia economy has been dominated by the resource extraction and processing industries. Over the past 30 years, some economic diversification has occurred, as evidenced by the increasing importance of the service sector. However, natural resources and related products continue to dominate goods production in the province. Additionally, goods-producing firms are major consumers of many services, including transportation and storage, communications, and financial and professional services.

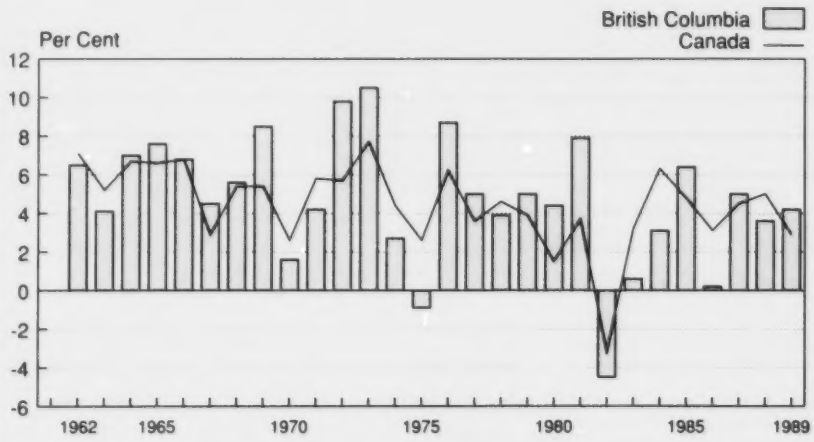
British Columbia's own market is too small to absorb the goods produced by the province's resource industry, nor is it sufficient to support the local production of mass-produced consumer goods. As a result, British Columbia has developed extensive trade relationships with the rest of the world. In 1989, foreign exports represented almost one-quarter of provincial Gross Domestic Product (GDP). This figure rises to one-third if exports to the rest of Canada are included.

The fundamental importance of natural resources and trade to the British Columbia economy leaves the province vulnerable to changes in resource commodity prices and the economic conditions of its major trading partners.

Commodity Prices and Economic Growth

Economic booms in the province have usually been characterized by high commodity prices and strong international economic growth. As British Columbia exports rise, employment and incomes expand, leading to increased capital investment, and higher demand for domestic and foreign goods and services. Periods of slow or declining provincial economic activity generally result from lower commodity prices and weak growth in exports to foreign markets.

Chart 1 British Columbia and Canada GDP Growth Rates

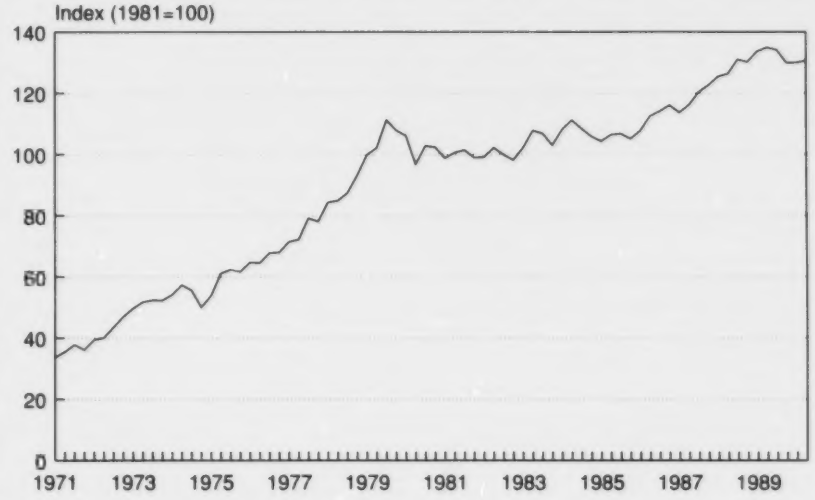


The comparison of British Columbia and Canadian GDP growth rates in Chart 1 shows that the business cycle is more pronounced in British Columbia. The provincial economy recovered more slowly than the rest of Canada from the economic downturn in the early 1980s. This could be due to British Columbia's greater reliance on natural resource exports and the larger cyclical downturn that occurred in these industries.

A New Export Price Index

The link between British Columbia economic activity and commodity prices has recently led to the development of a provincial Export Commodity Price Index (ECPI). The ECPI is a weighted average of price indexes for 17 major British Columbia export commodities, including lumber, newsprint, pulp, copper, lead, zinc, natural gas, coal, salmon, and other metal and forest products. The weight of each export commodity in the index is determined by its export share.

Chart 2 British Columbia Export Commodity Price Index



The ECPI peaked prior to the 1975 slowdown and the 1981-1982 recession, while remaining relatively flat over the 1982 to 1986 period. This result suggests that the index has some leading indicator properties.

Commodity Prices Weaken in 1990

Since 1986, the ECPI has risen steadily. However, in the first six months of 1990, the index was 1.3 per cent below its comparable 1989 level of 134, possibly indicating weaker British Columbia economic growth in the short term. A 13.9 per cent decline in the metals component of the ECPI was largely responsible for the fall in the index, overwhelming a small 0.8 per cent improvement in forest product prices. Commodity prices are expected to weaken during the remainder of 1990, as economic activity slows in the major industrialized nations. For historical data, see also Appendix Table A1.2.

Export Opportunities

British Columbia is well positioned to increase its exports to world markets and to further diversify its economy, in part because of its excellent transportation facilities, abundant land, energy and natural resources, and its strategic location on the Pacific Rim, one of the fastest growing market regions in the world. Provincial trade-development initiatives build on these strengths and provide support for trade and investment, as well as education and cultural exchanges.

As the Canada-United States Trade Agreement is phased in over the next few years, it is likely that the United States will increase the value of goods and services it purchases from the province. It is also expected that the newly industrialized economies of Taiwan, Hong Kong, Singapore and South Korea will increase their imports as their economies expand and mature. While there is currently some concern that the harmonization of European trading regulations in 1992 may lead to some closing of that market to Canadian products, there is a strong possibility that a more dynamic European economy, sweeping changes in Eastern Europe, and a new GATT (General Agreement on Tariffs and Trade) framework will create further export opportunities for British Columbia products.

Infrastructure

British Columbia's economic development is highly dependent on its transportation and communications infrastructure. Business enterprises rely on dependable transportation systems to move their products to market and receive inputs from suppliers, while communications systems are necessary for the rapid exchange of information required in today's business environment. Fortunately, the province boasts a modern, efficient and extensive transportation and communications system. Recent government initiatives, including "Freedom to Move", a long-term transportation plan based on local public consultation, will maintain and expand the province's transportation and communications network.

Highways

British Columbia's large highway network provides all-weather access to most regions of the province. There are 43,809 paved kilometres of laned provincial highways, 42,776 unpaved kilometres of laned highways and 2,750 bridges. This network enables the efficient transport of British Columbia's resource products and opens up the province to residents and tourists.

Recent major projects emphasize the continuing importance placed on the British Columbia highway system:

- the Vancouver Island Highway is being upgraded from Swartz Bay to Victoria and from Victoria to Nanaimo, and a new inland route is being constructed from Parksville north to Campbell River. Completion is scheduled for 1996.
- work is progressing on Okanagan Highway 97, which involves construction of four-lane highways through parts of Vernon, Penticton and Summerland. The Skaha Lake-to-Trout Creek portion near Penticton was completed in May 1990.
- phase III of the Coquihalla Highway between Merritt and Peachland opened on October 1, 1990.
- the Cassiar Connector (Highway 1 from the Burnaby Freeway to the Second Narrows Bridge) is being upgraded and is expected to be completed by the end of 1991.

Map 5.1 Provincial Transportation Network

Source: Ministry of Transportation and Highways

Table 5.3 Provincial Highway Construction

Fiscal Year Ended March 31.		1989	1990
New road[1]	(kilometres)	69.9	76.3
Widened right-of-way[1]	(hectares)	119.7	157.0
Re-paving and sealcoating	(kilometres)	868.0	1,251.1
Bridges and major highway structures constructed	(number)	42	57
		($ millions)	
Capital expenditure		260.1	504.7
Maintenance expenditure		298.1	329.1
Total		558.2	833.8

[1] Based on length of open public highway, regardless of number of lanes.
Source: Ministry of Transportation and Highways.

British Columbia's highways are used by an increasing number of people and vehicles. During 1989, approximately 1.7 million passenger vehicle licences and 620,300 commercial licences were held by provincial residents.

Railways

The province has approximately 7,500 kilometres of main line track operated by BC Rail, CN Rail, CP Rail, BN Rail and other railways. All four major railways are involved in extensive freight hauling operations. In addition, CP Rail operates a railcar barge service to Vancouver Island and CN Rail operates the aquatrain service from Prince Rupert to Whittier, Alaska.

In October 1989, the federal government announced funding cutbacks to VIA Rail Canada Inc. Frequency of service was reduced on transcontinental passenger services from Vancouver to Prince Rupert via Edmonton, and on remote passenger services between Edmonton and Prince Rupert. Local passenger service on the Esquimalt and Nanaimo line from Victoria to Courtenay was to be discontinued. However, a court ordered the service be retained, citing federal constitutional obligations. During the summer of 1990, a privately-operated tourist train began operating between Vancouver and Calgary on the CP Rail main line.

BC Rail provides passenger services between Vancouver and Prince George. During 1989, reconstruction of the 232-kilometre Dease Lake rail line from Fort St. James to Driftwood resumed; construction had stopped in 1977. BC Rail has negotiated a twenty-year agreement with local forestry companies to provide rail service on the line. BC Rail's five-year plan calls for capital expenditures of $490 million between 1990 and 1994.

CN Rail will be spending $30 million on capital-related projects in British Columbia and Alberta in 1990, including a new $19-million intermodal rail yard in Surrey. Existing intermodal transfer operations in downtown Vancouver will be relocated to the new site.

In June 1990, the National Transportation Agency authorized the abandonment of the 300-kilometre CP Rail Princeton Subdivision rail line between Spences Bridge

and Penticton. Forest product traffic originating on the rail line now moves by truck to a reload centre at Campbell Creek, just east of Kamloops. CN Rail has also been authorized to abandon the operation of the six-kilometre Cowichan Subdivision rail line on Vancouver Island.

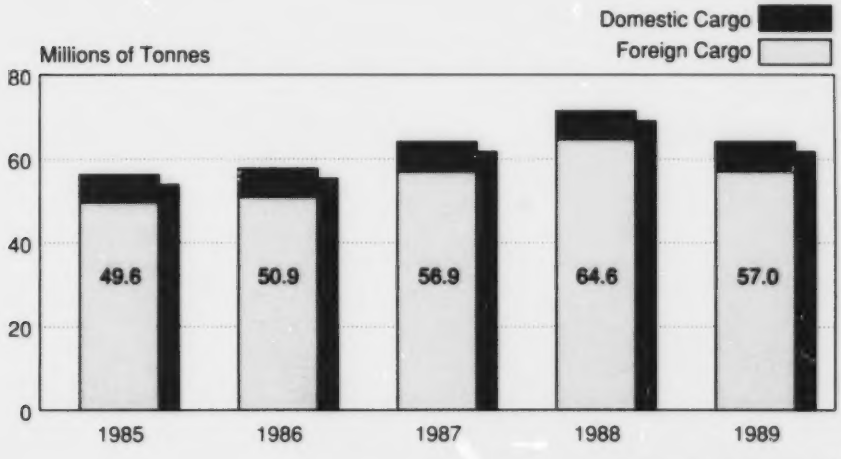
The National Transportation Agency is also reconsidering the future of the 160-kilometre CP Rail Boundary Subdivision rail line between Castlegar and Midway. Abandonment of the line was denied in 1988.

Deep Sea and Coastal Shipping

British Columbia has a number of large, ice-free ports. The Port of Vancouver is British Columbia's major seaport and the largest dry cargo port on the North American Pacific coast. Vancouver, together with the ports at Prince Rupert and on the Fraser River, handles most international shipping in the province. However, shipping also takes place at a number of other harbours on the coast, including Nanaimo, Port Alberni, Campbell River, Powell River, Kitimat, Stewart and Squamish.

Shipments through the Port of Vancouver totalled 64 million tonnes in 1989, down 10.2 per cent from the previous year's record high of 71.3 million tonnes. Leading the decline in shipments was an 11.2 per cent drop in bulk cargo. Coal, the port's leading export commodity in tonnage, increased 1 per cent in 1989 to 23.8 million tonnes, while sulphur shipments dropped 31 per cent to 4.6 million tonnes. Grain shipments declined 26 per cent to 9.3 million tonnes largely due to drought conditions in the Prairies. General cargo shipments, which include forest products, totalled 6.6 million tonnes, a decrease of 4 per cent from 1988. In 1989, container traffic was unchanged from 1988 at 305,700 TEUs (twenty foot equivalent units).

Chart 5.3 Port of Vancouver Cargo Tonnage



Source: Vancouver Port Corporation

Total cargo shipped through the Port of Prince Rupert was down 7.9 per cent in 1989 to 11.3 million tonnes, largely due to a drop in bulk commodities. A major expansion of general cargo berths at Prince Rupert's Fairview Terminal was officially opened in June 1990.

Tug and barge services connect major centres with small communities on British Columbia's major islands and the mainland coast. Small coastal vessels provide a mix of passenger and package freight service.

The British Columbia Ferry Corporation provides drive-on/drive-off freight and passenger service on 26 routes between the Lower Mainland, Vancouver Island and other coastal points. During 1989/90, the corporation carried 19.2 million passengers and 7.5 million vehicles (see also Chapter 8). The Ministry of Transportation and Highways provides ferry service on five freshwater routes. In 1989, these ferries carried 4.3 million passengers and 2.2 million vehicles.

Air Transport

There are approximately 170 licensed air carriers based in British Columbia providing scheduled and charter services to domestic and foreign destinations. Facilities in the province include more than 200 land-based airports, over 60 water-based facilities and approximately 20 heliports.

Major domestic and international service is provided by Air Canada and Canadian Airlines International. Many other major foreign airlines provide service through Vancouver International Airport, British Columbia's largest airport.

Table 5.4 Activity at Vancouver International Airport

Totals In/Out		1988	1989[1]	Change 1988–1989
				(per cent)
Passengers	(thousands)	9,200	9,651	4.9
Airmail and air cargo	(tonnes)	120,326	139,156	15.7
Aircraft movements	(thousands)	325	326	0.3

[1] Preliminary estimates.
Source: Transport Canada.

In February 1990, the Vancouver International Airport Authority was incorporated and is now in the process of negotiating with Transport Canada for local control and management of Vancouver International Airport. The province will assist with the transition to local management, which will enable the airport to respond better to emerging global opportunities.

The Provincial Air Transport Assistance Program was established in 1978 to assist the development of community airports and regional air services in British Columbia. By March 31, 1990, the program had provided 266 grants totalling $37.6 million to over 80 communities.

Pipelines

In British Columbia, there are approximately 4,000 kilometres of crude oil transmission and gathering lines, and 12,000 kilometres of natural gas flow, gathering and trunk lines. The Vancouver Island natural gas pipeline is currently under construction and is expected to be completed by mid-1991. Oil and gas distribution lines in British Columbia are regulated by the British Columbia Utilities Commission and the National Energy Board of Canada.

Communications

British Columbia's modern communications network links the province's larger communities with remote areas and with other locations around the world.

Telecommunications carriers, which offer services in more than one province, are regulated by the Canadian Radio-Television and Telecommunications Commission (CRTC).

As of March 31, 1990, British Columbia had 91 originating private radio stations, of which 62 were AM and 29 were FM. The Canadian Broadcasting Corporation (CBC), a federal Crown corporation, provides local, regional and network programming through rebroadcast transmitters, affiliates and joint-owned stations. Because of British Columbia's mountainous topography, 102 AM and 133 FM retransmitters are needed to further extend radio broadcast services.

There were 10 originating and 259 rebroadcasting television stations at March 31, 1990. The originating services included two operated by the CBC, five CBC affiliates and two CTV network stations.

By the end of 1989, cable television was available to over 82 per cent of the homes in British Columbia through 137 cable television systems. At present, cable systems have the capacity to provide up to 58 channels to the consumer.

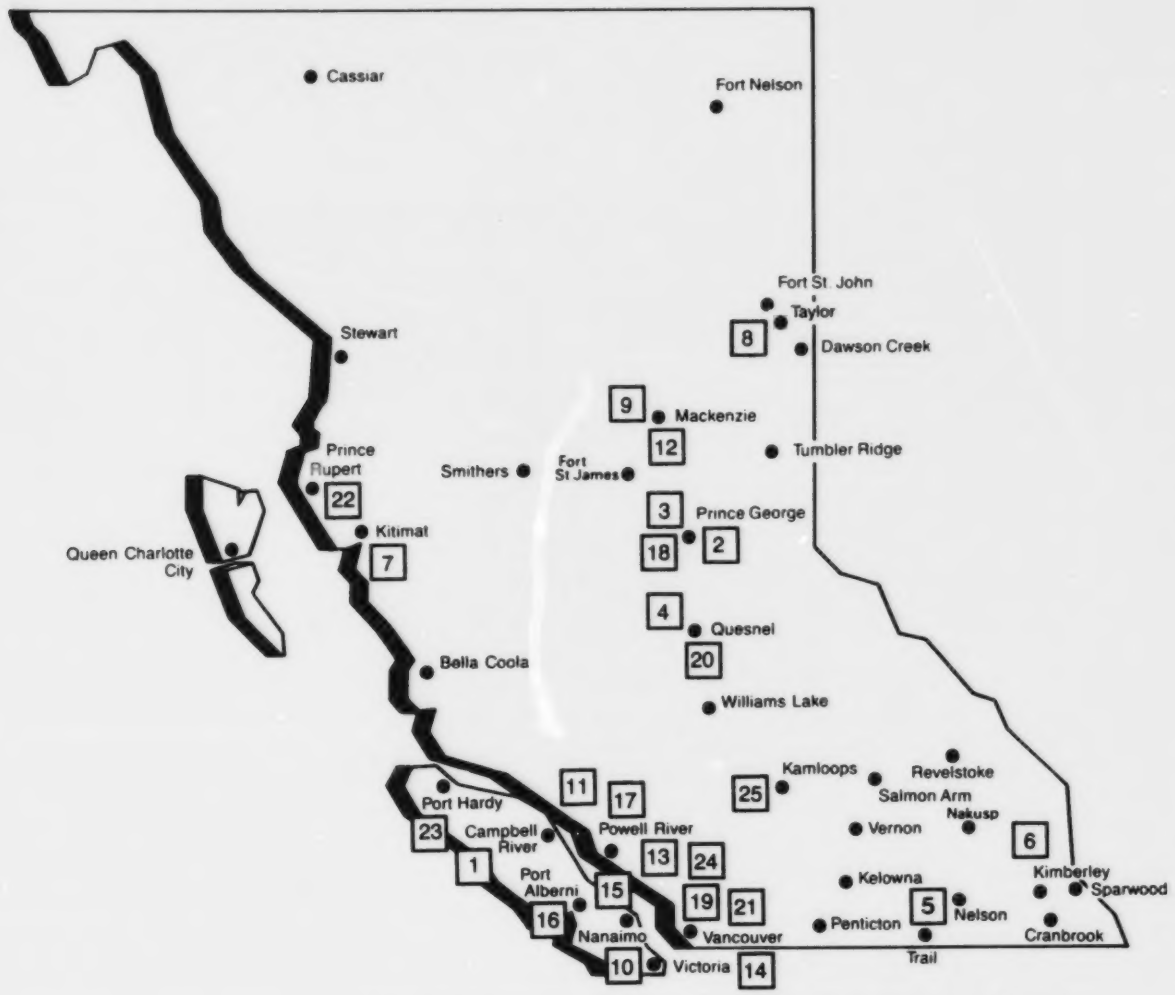
Many remote communities of the province receive television signals via satellite and microwave systems. The provincial government provides communications grants towards the cost of extending television and radio services. Through this program, 470,000 British Columbians in 380 communities have secured access to educational and basic broadcast services at a cost to the province of $5 million.

As of March 31, 1990, there were 1.8 million telephone network access service lines in British Columbia. Telephone service is provided primarily by the British Columbia Telephone Company, with regional service provided by the City of Prince Rupert Telephone Company and Northwestel Inc. Other firms made applications to the CRTC during 1990, including the British Columbia Railway Company (private line services), Telesat Canada (satellite services) and Unitel Communications Inc. (long distance private line and data transmission).

Forestry

Forest land covers 43.3 million hectares, or 46 per cent of the province, and supports more than eight billion cubic metres of mature timber. About 96 per cent is coniferous, giving British Columbia approximately half of the national softwood inventory. The hemlock species predominates in the coastal forests, while lodgepole pine and spruce are the major interior species (see Appendix Table A5.1).

Map 5.2 Pulp and Paper Mills (1989)



* As at December 1989

For integrated mills, pulp capacity includes pulp which is used internally to produce paper and to produce market pulp (if any) which is shipped from the mill site.

	Company	Location	Estimated Annual Capacity ('000 tonnes)* Pulp	Paper
1	C.P. Forest Products Ltd.	Gold River	466	221
2	Canfor Corporation	Prince George	274	102
3	Canfor Corporation	Prince George	236	–
4	Cariboo Pulp and Paper Ltd.	Quesnel	311	–
5	Celgar Pulp Co.	Castlegar	183	–
6	Crestbrook Forest Industries Ltd.	Skookumchuk	181	–
7	Eurocan Pulp and Paper Ltd.	Kitimat	376	376
8	Fibreco Pulp Inc.	Taylor	179	–
9	Finlay Forest Industries Ltd.	Mackenzie	155	211
10	Fletcher Challenge Canada Ltd.	Crofton	718	474
11	Fletcher Challenge Canada Ltd.	Duncan Bay	904	562
12	Fletcher Challenge Canada Ltd.	Mackenzie	207	–
13	Howe Sound Pulp and Paper Ltd.	Port Mellon	229	–
14	Island Paper Mills Ltd.	Annacis Island	–	110
15	MacMillan Bloedel Ltd.	Harmac	386	–
16	MacMillan Bloedel Ltd.	Port Alberni	420	342
17	MacMillan Bloedel Ltd.	Powell River	671	659
18	Northwood Pulp and Timber Ltd.	Prince George	569	–
19	Paperboard Industries Corp.	Burnaby	–	165
20	Quesnel River Pulp Co. Ltd.	Quesnel	276	–
21	Scott Paper Ltd.	New Westminster	28	85
22	Skeena Cellulose Inc.	Prince Rupert	483	–
23	Western Pulp Ltd.	Port Alice	162	–
24	Western Pulp Ltd.	Squamish	242	–
25	Weyerhauser Canada Ltd.	Kamloops	426	–
			8,082	3,307

In 1989, the British Columbia timber harvest was 87.4 million cubic metres, up 0.7 per cent from 1988 (see Appendix Table A5.2). Coast forest regions provided 34 per cent of the harvest and the interior forest region provided 66 per cent.

The provincial forests largely consist of softwood (coniferous) species that are in demand throughout the world in the form of lumber, newsprint, pulp and paper products, shingles and shakes, and other wood-based products. In 1989, British Columbia accounted for 62 per cent of the softwood lumber, 30 per cent of the pulp, 17 per cent of the paper and 85 per cent of the softwood plywood manufactured in Canada. In 1989, British Columbia's forest industries shipments of $12.5 billion represented 48 per cent of total manufacturing shipments in the province. Forestry exports to other countries last year were valued at $10 billion, or 56 per cent of provincial exports.

Table 5.5 Economic Indicators of Activity in the Forest Sector

Indicator	1985	1986	1987	1988	1989	Change[1] 1988–1989
Wood production			(million cubic metres)			(per cent)
Timber scaled (logged)	76.9	77.5	90.6	86.8	87.4	0.7
Lumber	33.0	31.5	37.3	36.7	36.0	−1.9
Plywood	1.64	1.53	1.90	1.83	1.83	—
Pulp and paper production			(million tonnes)			
Pulp	6.03	6.35	7.06	7.17	6.99	−2.5
Newsprint, paper and paperboard	2.50	2.60	2.76	2.88	2.85	−0.9
Industrial product price indexes			(1981 = 100)			
Softwood lumber — British Columbia	112.9	127.4	126.8	131.5	133.1	1.2
Douglas fir plywood	92.6	112.8	107.9	104.9	115.0	9.6
Bleached sulphate pulp for export	87.3	98.2	122.4	143.0	158.8	11.0
Newsprint for export	119.7	123.0	129.2	137.5	129.4	−5.9

[1] Percentage change based on unrounded numbers.

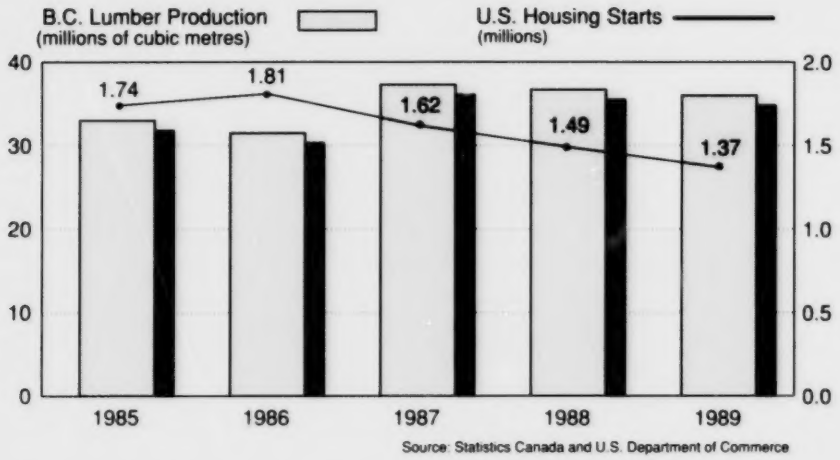
Sources: Timber scaled — Ministry of Forests.
Lumber and plywood production — Statistics Canada.
Pulp and paper production — Canadian Pulp and Paper Association.
Industrial product price indexes — Statistics Canada.

Lumber

The North American lumber market weakened in 1989 as U.S. housing starts declined to 1.37 million units from 1.49 million units in 1988 and Canadian housing starts dropped to 183,323 from 189,635 units. North American residential construction represents a significant source of demand for British Columbia lumber products. Lumber prices, expressed in U.S. dollars, were relatively stable during 1989. Western spruce-pine-fir two-by-fours averaged (U.S.) $185 per 1,000 board feet, slightly below the average price in 1988 of (U.S.) $187. However, returns to British Columbia producers were adversely affected by the appreciation of the Canadian dollar during the year.

British Columbia lumber shipments to Japan, the province's most important offshore market, increased substantially, offsetting the weaker North American market. Overall, softwood lumber exports rose 3.3 per cent to $4 billion in 1989.

Chart 5.4 British Columbia Lumber Production and U.S. Housing Starts



Source: Statistics Canada and U.S. Department of Commerce

Over the past three decades, the forest industry has undergone tremendous change, evolving from numerous small mills near the forest resource to large centrally-located operations with drying kilns and chipping facilities. Currently, kilns for drying lumber are more prevalent at interior lumber mills than at coastal lumber mills. Chipped wood waste from sawmills constitutes a major part of the fibre requirements of the province's pulp and paper industry. In recent years, there has been less emphasis on mass production of standardized lumber products and a corresponding increase in furniture components and door and window stock which command higher prices and use a larger portion of each log.

Plywood

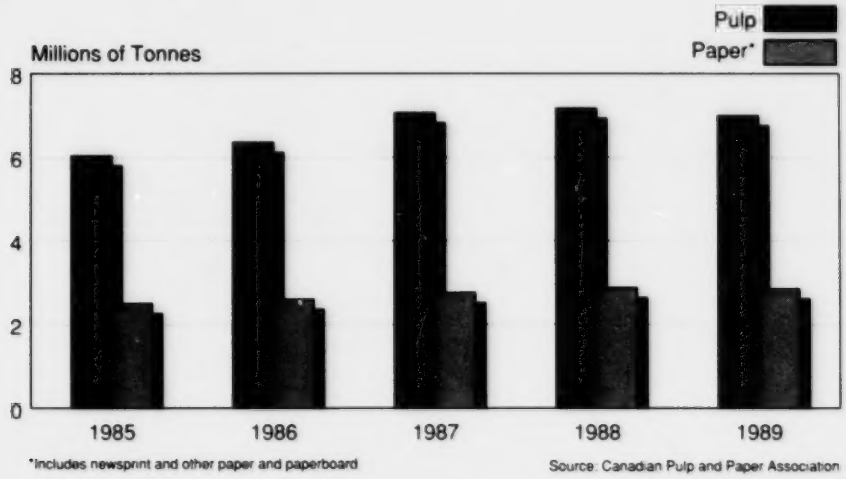
About 80 per cent of British Columbia's plywood production is used in Canada. In 1989, provincial plywood production was 1.8 million cubic metres, slightly above 1988's level, reflecting the relative strength of Canadian residential construction activity. Softwood plywood prices were, on average, 10 per cent higher in 1989, largely due to strong demand for British Columbia plywood during most of the year.

Pulp and Paper

British Columbia pulp production totalled 7 million tonnes in 1989, down 2.5 per cent from the previous year. Market pulp shipments totalled 4.2 million tonnes, marginally below the record set in 1987. From April 1989 to July 1990, pulp prices remained unchanged at (U.S.) $830 per tonne, though producers began to offer discounts during this period as a result of increased capacity and rising inventories. Pulp exports in 1989 were valued at $3.7 billion, up 9.2 per cent from 1988.

Newsprint, paper and paperboard production in 1989 declined 0.9 per cent to 2.9 million tonnes. Paper product exports reached $1.4 billion in 1989, down almost 8 per cent from 1988. During 1989, increased production capacity and the recycling of old newsprint exerted downward pressure on newsprint prices on the U.S. west coast, British Columbia's major newsprint market. Prices stabilized at (U.S.) $540 per tonne in the last quarter of the year, down $40 per tonne from the beginning of 1989. In British Columbia, two new newsprint plants in Mackenzie and Gold River became operational during the year.

Chart 5.5 British Columbia Pulp and Paper Production



*Includes newsprint and other paper and paperboard

Source: Canadian Pulp and Paper Association

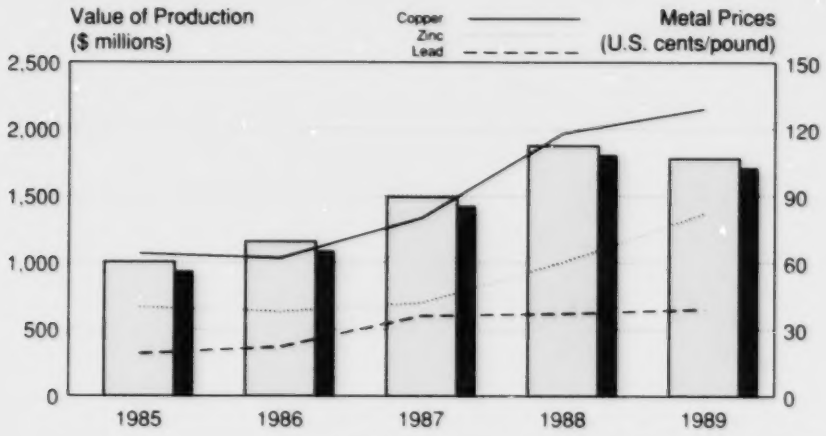
Minerals

Most of British Columbia lies within the Western Cordillera, a geological formation known to contain a wide variety of valuable minerals. Technological advances in exploration and mining and the development of new domestic and foreign markets have resulted in a significant increase in production of all mineral products, including oil and natural gas, over the past three decades. In 1989, total output was valued at $4.2 billion, an increase of 5.1 per cent from 1988.

Metals

During 1989, the value of metal production in the province declined by 5 per cent to $1.8 billion. Lower average prices for both gold and silver offset strong increases in production volumes as several new gold mines — Lawyers (Cheni Gold), Johnny Mountain (Skyline Gold) and Premier Gold Project (Westmin Resources) — began producing in 1989. (Johnny Mountain has since shut down.) While prices for copper were up, total value of production declined by 10 per cent because of work stoppages at both the Highland Valley Copper and Gibraltar mines. Zinc prices were up 33 per cent on average and the value of production increased by over 24 per cent. Lead, however, fell in both price and volume, with lower ore grades contributing to reduced lead output. The value of molybdenum produced declined slightly in 1989 despite increased output (see Appendix Table A5.5).

Chart 5.6 British Columbia Metallic Minerals – Production and Prices



Source: Ministry of Energy, Mines and Petroleum Resources; Metal Week

The Sullivan mine at Kimberley, one of the world's major sources of lead and zinc, resumed full production in November 1990. The mine closed in January 1990 due to high costs and low profitability. Concentrates are processed at Trail, site of one of the largest non-ferrous smelters in the world. The Trail smelter is currently being upgraded and expanded.

Many large new metal mines have been developed since 1960, including Afton, Endako, Highland Valley Copper, Westmin, Equity Silver, Gibraltar, Bell and Similco. Highland Valley Copper, an amalgamation of the Lornex, Bethlehem and Highmont operations, is now one of the world's largest copper mines.

Industrial Minerals and Structural Materials

The total value of production of industrial minerals including asbestos, sulphur, barite, gypsum and others, is estimated at $132 million in 1989, up 19 per cent from 1988. The value of production of structural materials, which includes cement, sand, gravel and building stone was $265 million, slightly above 1988 levels (see Appendix Table A5.4).

Mineral Exploration

Mineral claim staking increased 8 per cent from the previous year's level with 94,233 new mineral units recorded in 1989. Total exploration expenditures during 1989 are estimated at $185 million, down 19.6 per cent from 1988. A high level of exploration activity continued in the Stewart-Iskut River area of northwestern British Columbia. In 1989, there was also a resurgence of exploration for base metals and a return of major exploration companies as major spenders. Regulatory changes, lower average prices for gold and silver, and stronger base metal prices, particularly for copper and zinc, spurred renewed interest in base metals. Especially active was the northern Quesnel trough, northwest of Fort St. James, where encouraging results from the Mount Milligan porphyry copper deposit attracted several large drilling programs.

Map 5.3 Operating Mines (1989)

Primary Mineral Processing Plants

- A TRAIL SMELTER, lead, zinc
- B CANADIAN OCCIDENTAL PETROLEUM, sulphur
- C ALCAN SMELTER, aluminum

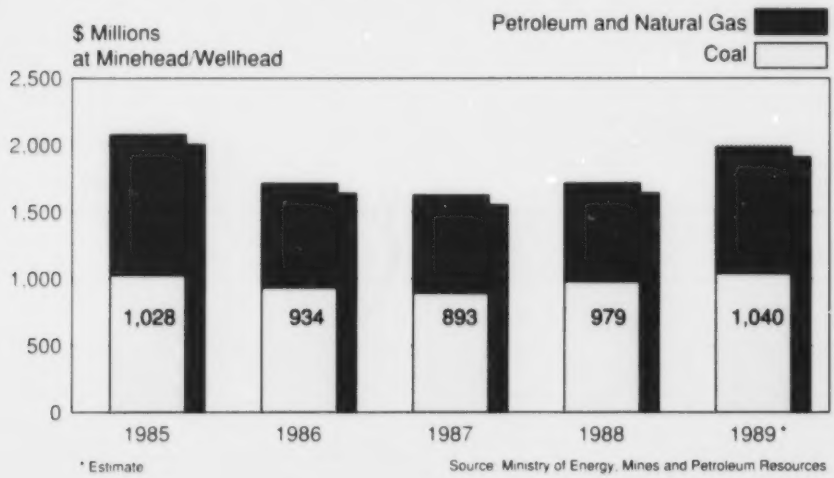
	Company (Mine)	Location	Daily Operating Capacity (tonnes)	Products
1	Highland Valley Copper Ltd. (Highland Valley Copper)	Highland Valley	120,000	Gold, silver, copper, molybdenum
2	Utah Mines Ltd. (Island Copper)	Rupert Inlet	47,000	Copper, molybdenum, gold, silver
3	Gibraltar Mines Ltd. (Gibraltar)	Granite Mountain	36,000	Gold, silver, copper, molybdenum
4	Brenda Mines Ltd. (Brenda)	Peachland	30,000	Gold, silver, copper, molybdenum
5	Placer Dome Ltd. (Endako)	Fraser Lake	30,000	Molybdenum
6	Similco Mines Ltd. (Similco)	Princeton	22,000	Gold, silver, copper
7	Noranda Inc. (Bell)	Babine Lake	17,000	Gold, silver copper
8	Equity Silver Mines Ltd. (Equity Silver)	Houston	10,000	Copper, gold, silver
9	Afton Mines Ltd. (Afton)	Kamloops	7,700	Copper, gold, silver
10	Cominco Ltd. (Sullivan)	Kimberley	7,500	Silver, lead, zinc, iron
11	Westmin Resources Ltd. (Myra Falls)	Buttle Lake	3,500	Copper, zinc, lead, silver, gold
12	Minnova Inc. (Samatoeum)	Barriere	425	Silver, lead, zinc, copper, gold
13	Cassiar Mining Corp. (Cassiar)	Cassiar	3,500	Asbestos
14	Corona Corp. (Nickel Plate)	Hedley	2,500	Gold, silver
15	Westmin Resources Ltd. (Premier)	Stewart	2,000	Gold, silver
16	Skyline Explorations Ltd. (Johnny Mountain)	Iskut River	270	Gold, silver
17	Chevron Gold Mines Ltd. (Lawyers)	Toodoggone River	500	Gold, silver
18	Skylark Resources Ltd. (Skylark)	Greenwood	270	Silver, copper, lead, zinc
19	Blackdome Mining Corp. (Blackdome)	Clinton	185	Gold, silver
20	Taurus Resources Ltd. (Taurus)	Cassiar	110	Gold, silver
21	Dickenson Mines Ltd. (Silvana)	Slocan Lake	100	Silver, lead, zinc
22	Teck Corp. (Beaverdell)	Beaverdell	100	Silver, lead, zinc
23	Westar Mining Ltd. (Balmer)	Sparwood	n/a	Coal
24	Westar Mining Ltd. (Greenhills)	Elkford	n/a	Coal
25	Fording Coal Ltd. (Fording)	Elkford	n/a	Coal
26	Crows Nest Resources Ltd. (Line Creek)	Sparwood	n/a	Coal
27	Byron Creek Collieries Ltd. (Byron Creek)	Sparwood	n/a	Coal
28	Teck Corporation (Bullmoose)	Tumbler Ridge	n/a	Coal
29	Denison Mines Ltd. (Quintette)	Tumbler Ridge	n/a	Coal
30	Brinco Coal Ltd. (Quinsam)	Campbell Lake	n/a	Coal

Energy

British Columbia has a diverse and abundant energy resource base and is self-sufficient in all energy sources except oil. Over three-quarters of British Columbia's oil supply is imported, mainly from Alberta, but these imports are more than offset by exports of coal, natural gas and electricity, making British Columbia a net exporter of energy.

Chart 5.7 provides the value of mineral fuel production and Chart 5.8 provides a breakdown of energy production and consumption in 1989.

Chart 5.7 Value of British Columbia Mineral Fuels Production

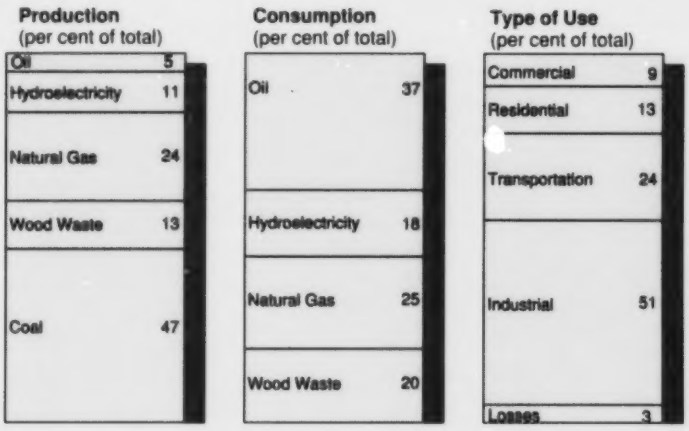


Coal

Metallurgical and thermal coal is mined and exported by four producers in the East Kootenay-Crowsnest coalfields and two in the northeast coalfields. Both areas contain numerous other deposits that could be brought into production. As well, there is considerable interest in the undeveloped coalfields of the northwest and Vancouver Island. The Quinsam mine near Campbell River is being developed in stages as markets are found. Crows Nest Resources Limited is seeking approval for an extension to a proposed thermal coal mine near Telkwa, and Canadian Coal Company Limited is considering a proposal for a major underground mine in the northeast coal block.

Coal continues to be among British Columbia's most valuable mineral products. The value of coal production rose 6.2 per cent to over $1 billion in 1989. Stronger sales from coal mines in southeastern British Columbia and slightly higher average prices for both metallurgical and thermal coal accounted for most of the rise.

Chart 5.8 Primary Energy Production and Consumption, 1989



Source: Ministry of Energy, Mines and Petroleum Resources

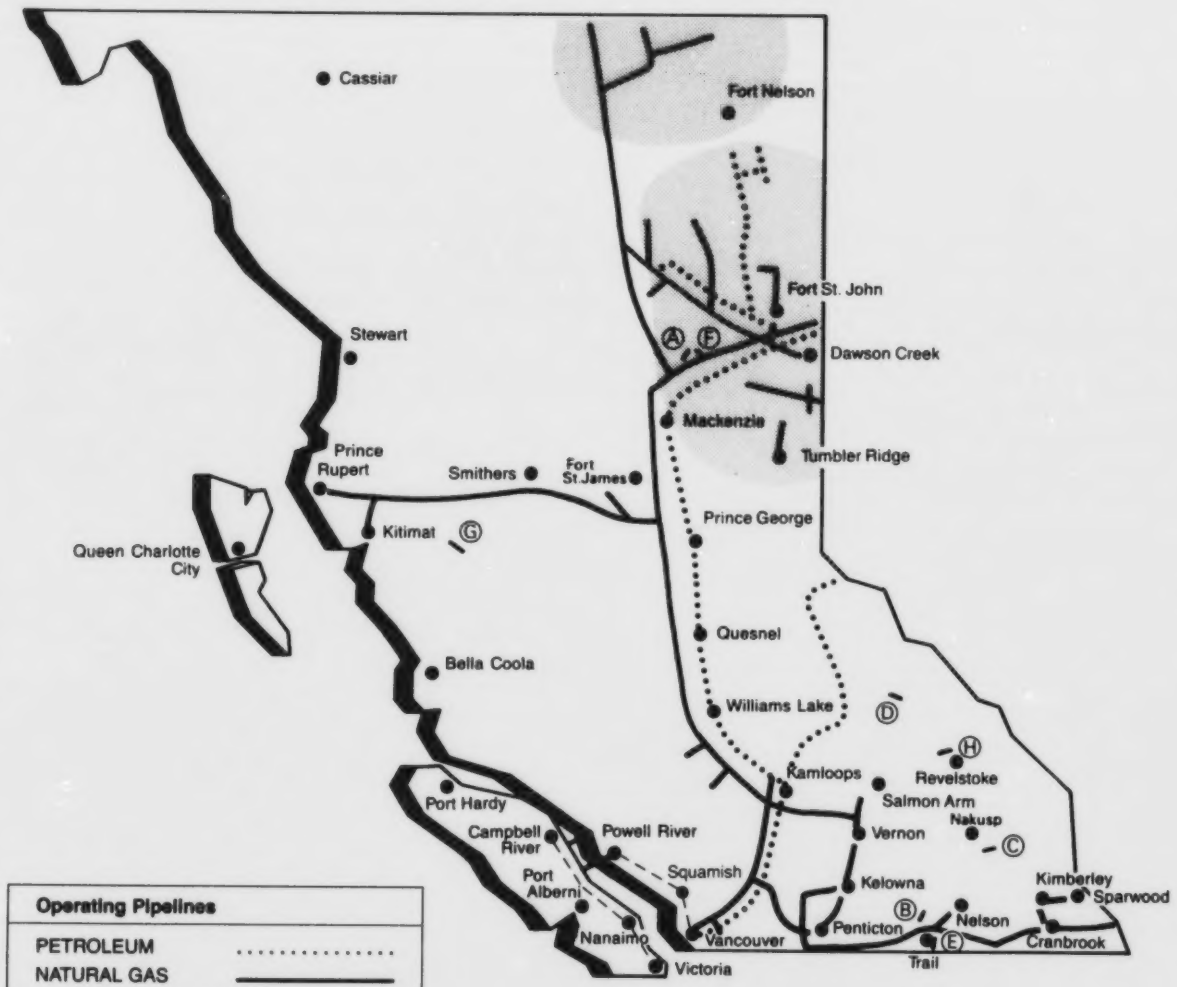
In June 1990, an arbitration ruling reduced the price of coal charged by Quintette Coal Ltd. to its Japanese customers. Quintette must also reimburse the Japanese steelmakers approximately $46 million. Quintette, which operates one of the coal mines in Tumbler Ridge, is currently challenging the arbitration award. A court order restraining Quintette's creditors from demanding payment from the company has been granted until December 1990, in order to give Quintette time to restructure.

Petroleum and Natural Gas

The northeastern part of the province is an extension of the Great Plains region and the only sedimentary area in British Columbia that is currently producing oil and gas. Westcoast Energy's gas pipeline from the Peace River region to Vancouver was built in the mid-1950s to provide a market for these vast hydrocarbon resources. An additional pipeline was later laid between Fort Nelson and the original pipeline at Chetwynd. Pipelines now serve markets in the Lower Mainland, Cariboo, Okanagan, Kootenays and centres from Prince George to Prince Rupert. The Vancouver Island pipeline, currently in the construction phase, will provide gas service to the Sunshine Coast and Vancouver Island by mid-1991. Map 5.4 shows the locations of the provincial pipeline network.

Condensate, butane and propane are extracted from a gas cleaning plant at Taylor (near Fort St. John) and sulphur is scrubbed from sour gas at plants at Chetwynd, Fort Nelson and Taylor. Westcoast Energy also operates an oil pipeline between Taylor and Kamloops where it connects with the Trans Mountain Pipeline from Edmonton to Vancouver. There are four refineries in the Lower Mainland, one in Taylor and another in Prince George.

Map 5.4 Provincial Pipeline Network and Major Hydroelectric Dams



	Dams	Rivers	Lakes/Reservoirs
A	W.A.C. Bennett	Peace	Williston
B	Hugh Keenleyside	Columbia	Arrow
C	Duncan	Kootenay	Duncan
D	Mica	Columbia	Kinbasket
E	Seven Mile	Pend d'Oreille	Seven Mile
F	Peace Canyon	Peace	Dinosaur
G	Kenney	Nechako	Nechako
H	Revelstoke	Columbia	Revelstoke

Petroleum and natural gas exploration continued to expand in 1989 with 218 wells drilled, 30 more than the previous year. Table 5.6 provides indicators of activity in the petroleum and natural gas industry.

Total value of petroleum and natural gas production in 1989 increased from $735 million in 1988 to $944 million in 1989. Higher world oil prices in 1989 resulted in a 22 per cent increase in the value of crude oil production, while a rise in natural gas prices boosted its value of production by 34 per cent.

Table 5.6 Indicators of Activity in Petroleum and Natural Gas

Indicator	Unit of Measure	1988	1989	Change 1988–1989
				(per cent)
Oil production	(thousand cubic metres)	1,882	1,852	−1.6
Natural gas production (to pipeline)	(thousand cubic metres)	10,312	13,300	29.0
Wells authorized	(number)	221	304	37.6
Wells drilled	(number)	188	218	16.0
Seismic crew-weeks		310	380	22.6
Provincial reserves				
Oil (remaining reserves)	(million cubic metres)	17	19	11.8
Raw gas (remaining reserves)	(billion cubic metres)	256	256	—
Provincial government petroleum and natural gas revenue[1]	($ millions)	240	227	−5.4

[1] Fiscal year basis (e.g., 1989 represents the year ending March 31, 1990).
Source: Ministry of Energy, Mines and Petroleum Resources.

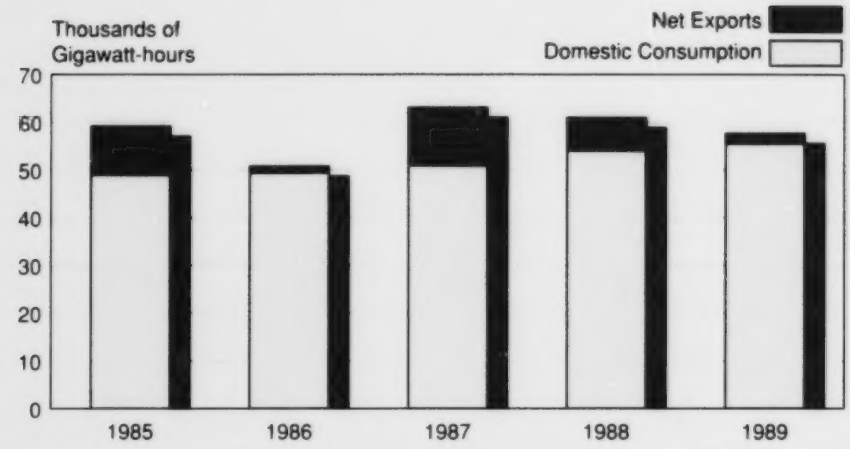
Electric Generation

Canada has one-quarter of the world's fresh water supplies, of which one-third are located in British Columbia. This has led to the development of 12.9 gigawatts of electrical generating capacity in the province, consisting of 11.2 gigawatts of hydroelectric capacity and 1.7 gigawatts of thermal-electric capacity. The availability of this competitively priced energy, which supplies about 18 per cent of the province's energy requirement, continues to be a strong incentive for new energy-intensive industries to locate in the province (see Appendix Table A5.7).

Appendix Table A5.6 lists the supply and consumption of electrical energy in the province. Map 5.4 shows the locations of the largest hydroelectric dams and Appendix Table A5.8 provides data on the 10 largest power plants in British Columbia.

Total provincial generation of electricity declined 5.4 per cent to 57,655 gigawatt-hours in 1989, reflecting below-average water conditions. Hydroelectric generation declined 12.8 per cent and thermal generation rose 177.3 per cent. Domestic provincial consumption increased 2.8 per cent to 55,572 gigawatt-hours, while net exports declined 69.7 per cent to 2,083 gigawatts (see Chart 5.9 and Appendix Table A5.6).

Chart 5.9 British Columbia Electric Power Generation



Source: Statistics Canada

Agriculture

Only 4 per cent of total provincial land area is considered arable or potentially arable. Farm holdings (19,063 farms in 1986) cover 2.4 million hectares, of which 900,000 hectares are improved land. An estimated 10 million hectares, of which over 8.5 million hectares are Crown land, are classed as open or forested grazing land used by the ranching industry.

All arable soils have been mapped and classified on the basis of quality, and the best classes have been placed within the Agricultural Land Reserve to be maintained for agricultural and related purposes.

According to the 1986 Census of Agriculture, the average census farm had an area of 127 hectares. However, farm size varies greatly depending on the type of activity, from thousands of hectares in grain or ranching enterprises to less than five hectares in mushroom, greenhouse and poultry businesses.

Agriculture in British Columbia is distinguished by its diversity. Some of the activities carried out by provincial farmers include: dairying; cattle-ranching; poultry-raising; and growing tree fruits, vegetables, berries, grapes, mushrooms, bulbs, ornamental flowers and shrubs. Agriculture is the province's third largest resource industry, behind forestry and mining. British Columbia ranks sixth among the provinces in farm cash receipts.

Farm Cash Receipts

Farm cash receipts were estimated at $1,164 million during 1989, up 2.1 per cent from the previous year (see Table 5.7). Total production expenses in 1989 rose 5.3 per cent to $997 million and net farm income fell 19.9 per cent to $180 million.

Table 5.7 British Columbia Farm Cash Receipts

Commodity	Revised 1988	Preliminary 1989	Change 1988–1989
	($ millions)		(per cent)
Horticultural crops	320.8	317.0	−1.2
Dairy products	237.4	242.9	2.3
Cattle and calves	178.7	190.5	6.6
Poultry and eggs	177.1	200.2	13.0
Program receipts[1]	82.7	75.9	−8.2
Other products	65.0	61.6	−5.2
Hogs	44.5	45.3	1.8
Grains and oilseeds	33.6	30.5	−9.2
Total[2]	1,139.7	1,163.9	2.1

[1] Includes receipts from government programs which enhance farm income or reduce expenses.
[2] Totals may not add due to rounding.
Source: Statistics Canada.

Livestock and Related Products

The largest component of the agriculture industry is dairying which accounts for almost one-quarter of total farm cash receipts. Large dairy herds are concentrated in the Lower Mainland, southeastern Vancouver Island and the North Okanagan-Shuswap area. Smaller concentrations are found near Creston, Smithers, Vanderhoof, Prince George, Dawson Creek and Fort St. John.

Cattle ranching is carried out primarily on range lands of the southern and central interior, the Peace River district and the Kootenays. Hog and poultry production remains concentrated near Greater Vancouver and Victoria, although most population centres support these activities.

Receipts from livestock and related products rose 6 per cent to $705 million in 1989. Higher receipts from poultry and eggs generated most of the increase (see Appendix Table A5.9).

Fruit, Vegetables and Field Crops

Southern interior valleys, principally the Okanagan, are well-suited to the production of tree fruits and grapes. The cooler and wetter climate of the lower Fraser Valley and southern Vancouver Island favours berry crops and vegetables. Most of the province's grain, oilseeds and forage seeds are grown in the Peace River region. Greenhouse crops, nursery products, mushrooms and other specialty crops tend to be concentrated in the southwestern corner of the province.

Farm cash receipts from these crops decreased 2.3 per cent to $383 million in 1989. Performance within the various components was mixed, with declines in income from berries, forage seed, grains and oilseeds offsetting gains in returns from vegetables, apples, floriculture and nurseries.

Fisheries

More than 40 species of fish and marine animals are harvested and marketed by British Columbia's fishing and aquaculture industry. The fishing industry harvest fluctuates widely from year to year because of changes in the stock of individual species. In addition, prices are largely determined on world markets over which the provincial industry has little direct influence.

Structure of the Industry

There were 20,578 valid personal commercial fishing licences in British Columbia in 1989, of which 15,900 are active. The industry also supports an estimated 5,700 person-years of employment in fish processing plants and shipyards. An estimated 223 companies processed fish in 241 plants in 1989. The processing sector is mainly situated in Prince Rupert and Greater Vancouver, although a number of smaller plants operate in coastal communities close to the fishing grounds. Excluding packers and processors, a total of 6,221 vessels were licensed to fish commercially in British Columbia in 1989.

Federal and provincial authorities both exercise control over the industry. The federal Department of Fisheries and Oceans assumes responsibility for the protection and conservation of fisheries. The Aquaculture and Commercial Fisheries Branch of the British Columbia Ministry of Agriculture and Fisheries assumes control after the fish are caught and removed from the water.

Commercial fishing is the fourth largest primary industry in British Columbia after forestry, mining and agriculture, and fish processing accounts for over 25 per cent of all food manufacturing activity.

Salmon is the most important component of the industry, followed by roe herring, groundfish varieties and shellfish. In 1989, the fish catch had a landed value of $409 million and a wholesale value of $886 million, down 23.3 per cent and 7.3 per cent, respectively, from 1988.

Table 5.8 Value of British Columbia Fish Production

Species	Landed Value[1] Revised 1988	Landed Value[1] Preliminary 1989	Change 1988–1989	Wholesale Value[2] Revised 1988	Wholesale Value[2] Preliminary 1989	Change 1988–1989
	($ millions)		(per cent)	($ millions)		(per cent)
Salmon[3]	312	254	−18.6	584	592[6]	1.4
Herring	96	65	−32.3	176	147	−16.5
Halibut[4]	23	18	−21.7	30	27	−10.0
Groundfish[5]	61	42	−31.1	94	69	−26.6
Shellfish	41	30	−26.8	72	51	−29.2
Total	533	409	−23.3	956	886	−7.3

[1] Value of raw fish landed at dock.
[2] Value of fish wholly or partially processed, and raw fish sold through brokers.
[3] Excludes salmon aquaculture production.
[4] Includes halibut landings at U.S. ports by British Columbia fishermen.
[5] Includes hake landings to foreign vessels in co-operative fishing arrangments, plus minor fish species not listed.
[6] Includes value of production derived from U.S. salmon.
Sources: Ministry of Agriculture and Fisheries; Department of Fisheries and Oceans, Canada.

Salmon

The salmon harvest in 1989 (excluding farmed salmon) remained at a high level of over 86,000 tonnes. The salmon catch had a landed value of $254 million and a wholesale value, including the value of production of U.S. salmon, of $592 million. The 1989 salmon pack reached 1.8 million cases, an increase of 51.4 per cent over 1988 and near previous peaks recorded in 1985 and 1986. Salmon may be sold fresh, chilled, frozen or canned, or it may be filleted or smoked for specialty markets.

Herring

The value of herring landings decreased 32.3 per cent in 1989 to $65 million. The wholesale value of $147 million was down 16.5 per cent. Prices declined in 1989 because of changing market conditions in Japan, where roe herring is a traditional delicacy. The roe herring fishery occurs in the spring of each year and, after the roe is extracted from the mature fish, the carcasses are processed for animal feed and fertilizer. A small food and bait fishery also contributes to catch values.

Halibut

Halibut landings rose between 1982 and 1987 as international conservation measures proved effective in increasing stocks. Although landings in 1989 of $18 million were down from the previous year, its value was still among the highest in the past decade. The 1989 wholesale value was also lower at $27 million.

Aquaculture

Oceanographic conditions along the province's coastline create the ideal setting for the cultivation of fish and shellfish in British Columbia. The number of aquaculture operations with issued tenures increased to 892 in 1989. They included 226 salmon farms, 173 trout farms, 437 oyster farms, 6 marine plant farms and 50 hatcheries. Of the 226 tenures issued to salmon farms, an estimated 131 were active in 1989. Although most of the recently established enterprises are based on salmon, there is considerable interest in improved methods of raising oysters, scallops, shellfish and marine plants.

Despite financial difficulties experienced by many operators due to a glut of farmed fish, the value of aquaculture production nearly doubled to $79 million in 1989.

Exports

In 1989, exports of fresh, chilled or frozen whole fish and fillets were valued at $362 million, fish liver and roe at $158 million and canned or smoked fish at $165 million. Japan is the largest market for these products, followed by the United States and the European Community.

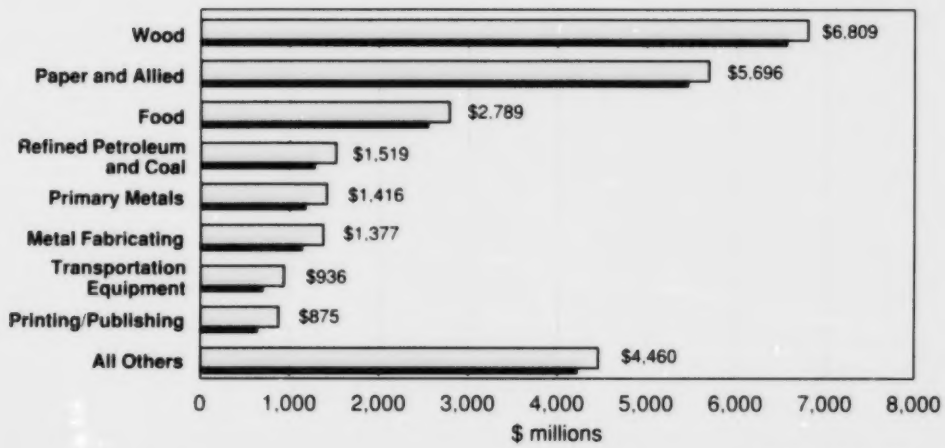
Manufacturing

The province's manufacturing industries are largely resource based with a major emphasis on forest products, processed agricultural and fisheries products, refined petroleum and coal products, and primary metals. Although, these industries account for over 70 per cent of manufacturing shipments, the most rapid growth has been in other secondary manufacturing.

Total manufacturing shipments in 1989 were valued at $25.9 billion, 2.7 per cent more than in 1988 (see Appendix A5.11). In 1989, the manufacturing sector employed 175,000 persons and accounted for 14.1 per cent of British Columbia's gross domestic product.

The wood and paper and allied industries accounted for almost half of total shipments in 1989. These industries will remain important in the future, although greater emphasis is expected to be placed on value-added products. For example, a higher portion of pulp production is being used to make specialized paper products and more lumber is now remanufactured into siding, furniture components, door and window stock, and other end-use products.

Chart 5.10 British Columbia Manufacturing Shipments by Industry, 1989



Source: Statistics Canada

Food processing in the province uses both locally-produced agricultural products (to make canned and frozen fruits and vegetables; fruit drinks; wine; fresh, canned and frozen fish; poultry; dairy products; beef and pork products) and those produced elsewhere (to make sugar, soft drinks, coffee, tropical fruits). The processing industry is largely confined to the Lower Mainland, Okanagan Valley and southern Vancouver Island, although some dairy products, meats and animal feeds are produced in outlying parts of the province.

Manufactured shipments of food and beverage products reached an estimated $3.3 billion in 1989, up 0.2 per cent from 1988. British Columbia ranks fourth among the provinces in the value of food processing activities.

Secondary Manufacturing

Three leading secondary manufacturing industries are fabricated metal products, transportation equipment, and printing and publishing. Combined shipments totalled almost $3.2 billion in 1989. Growth in fabricated metal products outpaced most other manufacturing industries, with 1989 shipments running almost 14 per cent ahead of 1988's level. Shipments of transportation equipment advanced 2.2 per cent in 1989, while printing and publishing shipments grew 6.1 per cent.

Secondary manufacturing also includes consumer-oriented industries, such as furniture and fixtures, plastics, and sports and fashion clothing. As growth leaders in the secondary manufacturing field, these groups recorded annual increases in the 10 to 20 per cent range. New products in the general consumer category include pet supplies, sports equipment and a wide range of specialty foods and beverages.

Shipments of the electronics industry grew at over 8 per cent in 1989. The industry is particularly noted for its achievements in communications, remote sensing and computer technology.

Because domestic markets are limited, manufacturers must look to export markets if they are to continue to grow at a healthy rate. Secondary manufacturing industries that appear to be particularly cost competitive with respect to the United States, and should therefore benefit from the Canada-United States Trade Agreement, include chemicals, clothing, furniture, machinery, metal fabricating and plastics. Of an estimated 7,400 manufacturers in British Columbia, almost 38 per cent are active in export markets, while another 50 per cent are seeking export markets for the first time. While the United States, in particular the Pacific Northwest, is the main focus for British Columbia manufacturers, a large number are also seeking markets in Europe and the Pacific Rim.

Geographic Distribution of Manufacturing Activity

The location of resources, population centres and transportation factors determine the regional distribution of manufacturing activity within British Columbia. The Greater Vancouver area has developed into the province's major manufacturing centre followed by Vancouver Island. The Prince Rupert-Kitimat area is involved in forest products, fish processing, aluminum refining, and methanol and ammonia production. Wood products, food and beverage processing, trucks, mobile homes and recreational vehicles are the principal manufacturing industries in the Okanagan. Trail, in the Kootenays, is the location of a major lead-zinc smelter and fertilizer plant. The rest of the province is largely dominated by the manufacture of forest products (see also Chapter 3).

Capital and Repair Expenditures

Capital and repair expenditures are an important indicator of the level of economic activity and well-being of the province. Capital expenditures represent new capital outlays for construction, and machinery and equipment, while repair expenditures help maintain and improve existing productive assets. In 1989, capital and repair expenditures in British Columbia totalled a record $20.8 billion, up 17.7 per cent from 1988. In 1990, expenditures are expected to reach $23.3 billion.

Prior to 1987, capital and repair expenditures had peaked in 1981. Relatively weak international markets for many of the province's major resource products and significant amounts of idle industrial capacity combined to dampen investment between 1982 and 1986. During this period, a disproportionate share of investment outlays were for repairs and modifications rather than for new production facilities. Capital spending in the trade, finance and commercial services sector, as well as the public sector, helped support the construction industry during this period. Since 1986, capital and repair expenditures have increased substantially each year.

Table 5.9 Capital and Repair Expenditures in British Columbia by Sector

Sector	1988[1]	1989[2]	1990[3]	Change 1988–1989	Change 1989–1990
		($ millions)		(per cent)	
Housing	4,149.9	5,413.9	6,160.6	30.5	13.8
Manufacturing	3,212.0	3,734.0	4,117.6	16.3	10.3
Trade, finance and commercial	2,909.1	3,276.4	3,500.2	12.6	6.8
Transportation, communications and utilities	2,711.7	2,858.5	3,505.5	5.4	22.6
Institutions and government departments	2,339.6	2,984.1	3,406.2	27.5	14.1
Mining	1,362.8	1,462.4	1,495.7	7.3	2.3
Construction	326.2	398.6	458.4	22.2	15.0
Forestry (primary)	338.3	324.8	338.9	−4.0	4.3
Agriculture and fishing	296.8	308.3	312.8	3.9	1.5
Total	17,646.4	20,761.0	23,295.9	17.7	12.2

[1] Actual.
[2] Preliminary actual.
[3] Revised intentions.
Source: Statistics Canada.

Construction

In 1989, British Columbia's $13.3 billion in construction activity was comprised of $9.1 billion for the construction of buildings and $4.2 billion for engineering projects. Most building construction involved residential structures ($5.5 billion), followed by commercial buildings ($1.9 billion) and industrial structures ($825 million). Engineering construction expenditures included highways and road construction ($1.3 billion).

Housing

Residential housing is an important part of the construction industry because of its size, broad regional employment implications and social importance. In 1989, housing starts rose 27.6 per cent to 38,894 units, a continuation of the upward trend observed since 1984.

Table 5.10 Dwelling Construction Starts in British Columbia by Type of Structure

Type of Structure	1985	1986	1987	1988	1989	Change 1988–1989
	(number of structures)					(per cent)
Single detached	11,343	12,966	16,353	17,761	21,612	21.7
Two-family	372	565	862	959	1,162	21.2
Row	2,035	2,289	3,504	4,047	4,707	16.3
Apartment and other	4,219	4,867	8,225	7,720	11,413	47.8
Total	17,969	20,687	28,944	30,487	38,894	27.6

Source: Statistics Canada.

Major Projects

Much of the province's construction activity during the first half of the 1980s was centred in the Greater Vancouver area and was spurred by Expo 86 preparations. The Canada Place convention centre, cruise ship facility and hotel complex remains one of the biggest permanent legacies of Expo 86, and the SkyTrain rapid transit line between New Westminster and downtown Vancouver complemented previously available public transit facilities.

In the second half of the 1980s and into 1990, there was greater emphasis on large industrial and commercial projects throughout the province. Large sums were committed to expansion and pollution abatement in the pulp and paper sector. The transportation sector received a great deal of attention with rail upgrading, the Coquihalla highway and the SkyTrain extension to Surrey. Construction of Pacific Place, an urban redevelopment project encompassing much of the north side of False Creek, is expected to commence shortly and will involve over $2 billion in residential and commercial construction over the next 25 years. Other large residential-commercial projects underway in the province include the $330 million New Westminster Quay project, the $420 million Pacific Point development on the Songhees Lands on the Victoria harbour, and the $1 billion redevelopment of the railway yards along Vancouver's Coal Harbour waterfront.

In the industrial and commercial sectors, major project completions in the last half of 1989 and the first half of 1990 include: the Golden Bear gold mine north of Stewart ($80 million); phase I of the new lead smelter at Trail ($171 million); Island Paper Mills' new coated paper machine in Delta ($100 million); Chateau Whistler resort hotel ($80 million); phase II of the Galleria Metrotown Shopping Centre in Burnaby ($215 million); and the second component of the Eaton Centre project in Victoria ($100 million). Major project completions in the transportation and communications sectors include: the Richmond East-West Freeway (the final link in the $485 million Annacis Crossing System); B.C. Tel's Lightguide link from Vancouver to Alberta ($104 million); and the $179 million SkyTrain Surrey Extension.

Major undertakings beginning in 1990 or continuing into 1990 include: the Kemano completion hydroelectric power project ($600 million); pulp and paper mill improvements and expansions at Crofton and Port Mellon ($263 million and $1 billion, respectively); a new pulp mill near Chetwynd ($150 million); the Vancouver Island natural gas pipeline ($506 million including distribution lines and conversion assistance); the new Vancouver Island highway ($1.3 billion); the Okanagan Connector section of the Coquihalla highway ($225 million); a hydrogen peroxide plant at Prince George ($85 million); and the $101 million Cassiar Connector, which will eliminate the Cassiar-Hastings traffic bottleneck in Vancouver. Also underway are numerous large residential and commercial projects, such as the $200 million Waterfront Centre in Vancouver and the $200 million Woodward Place project in New Westminster.

Industrial and commercial developments in the advanced planning stage include additional pulp, paper and wood products projects, of which the largest are expansions at Castlegar ($670 million), new mills at Vanderhoof ($300 million) and near Stewart ($300 million); a newsprint de-inking plant in Coquitlam ($83 million); a fibreboard plant in Williams Lake ($140 million); and an oriented strand board factory at 100 Mile House ($60 million). Power generation proposals by the private sector are the other leading group in this category. Candidates for development include facilities using natural gas, waste coal or wood waste at Williams Lake ($135 million), Taylor ($106 million), Sparwood ($450 million), Chilliwack, Cranbrook, Fort Nelson, Merritt and Houston. Also in the energy sector, a gas plant expansion at Taylor ($108 million) is planned to serve growing domestic and export markets. Numerous developments are planned in the mining sector, including major new mines near Williams Lake (Mount Polley — $135 million), Mackenzie (Mount Milligan — $300 million), and in the northwest corner of the province (Windy Craggy — $400 million).

Retail Trade

As shown in Table 5.11, total retail sales reached $20.5 billion in 1989, up from $18.6 billion in 1988. This 10.2 per cent increase indicated another good year for the province's retailers and marked the fifth consecutive year in which retail sales grew more than 8 per cent.

Table 5.11 British Columbia Retail Sales

	1985	1986	1987	1988	1989	Change 1988–1989
			($ millions)			(per cent)
Chain stores[1]	6,756	7,504	7,849	8,329	9,027	8.4
Independent stores	7,548	8,063	9,268	10,280	11,486	11.7
Total[2] — all stores	14,304	15,567	17,116	18,609	20,513	10.2

[1] Chain stores are organizations operating four or more retail outlets in the same kind of business under the same legal ownership.
[2] Totals may not add due to rounding.
Source: Statistics Canada.

The types of retail outlets with the strongest sales growth in 1989 are shown in Table 5.12. Among the leaders were retailers selling "big ticket items", such as automobiles, furniture and appliances, which are associated with economic expansion and strong consumer confidence. Another indicator of the retail sector's strength is the opening of new shopping centres in the province's major urban areas.

Table 5.12 British Columbia Retail Sales by Selected Kind of Business

Kind of Business	1988	1989	Change 1988–1989
	($ millions)		(per cent)
Furniture, T.V., radio and appliance stores	133.5	176.3	32.1
Sporting goods and accessories stores	337.8	429.5	27.2
Florists	60.0	74.4	24.0
Personal accessories stores	327.5	400.3	22.2
Household furniture stores	189.7	229.3	20.9
Garages	159.0	188.5	18.6
Used car dealers	149.3	176.5	18.2
Specialty shoe stores	33.3	38.5	15.6
Hardware stores	133.8	153.9	15.0
Service stations	1,415.2	1,603.1	13.3

Source: Statistics Canada.

Business and Personal Services

The business services sector includes such diverse enterprises as advertising, accounting, management consulting, architecture, computer services and consulting engineering. Personal services comprise a wide range of activity, including hairdressing salons and barber shops, laundries and dry cleaners, funeral services, shoe repair and many other business operations providing services to the individual.

Business Services

The business services sector is one of the most dynamic areas of the provincial economy. Over the last 10 years, real output has increased more than twofold, greater than any other major industry and almost 50 per cent higher than the economy as a whole. This rapid growth has had a large effect upon employment. In 1979, 48,000 British Columbians were employed in the business services sector; by 1989, the number had increased almost 80 per cent to 86,000.

In addition to creating jobs, business services are important to British Columbia's economy in other ways. First, they develop ways for other businesses to raise productivity, add value to products, and assist in opening up new markets. Second, business services to foreign clients are an important source of export earnings. Because of British Columbia's expertise in areas such as transportation, communications, forest products and hydroelectric engineering, exports of business services will likely play an even greater role in British Columbia's economic future.

Personal Services

Personal services industries are characterized by small, owner-operated establishments. Over 90 per cent of these businesses are operated by self-employed individuals. The personal services sector experienced strong growth in the last decade, with real output rising over 30 per cent during the period. Employment increased from 47,000 in 1979 to 74,000 in 1989.

Finance, Insurance and Real Estate

The finance, insurance and real estate (FIRE) sector comprises a diverse number of businesses, including chartered banks, trust companies, credit unions, consumer loan companies, insurance carriers and agencies, real estate brokers, investment dealers, and operators of commercial buildings and residential dwellings.

In 1989, the FIRE sector, including royalties and imputed rent, accounted for 19.4 per cent of British Columbia's gross domestic product and 6.3 per cent of total employment in the province, or 90,000 jobs. Approximately half the employment in this sector was in financial services, while insurance and real estate accounted for the balance. Employment in the FIRE sector was 1 per cent lower in 1989 than in 1988, but the sector's gross domestic product was up an estimated 13.1 per cent.

Banking

During 1989, chartered bank deposits liabilities in British Columbia grew 19 per cent, while total personal savings deposits grew 21.2 per cent, partially due to the strong provincial economy and rising interest rates during the year. There was a large increase in non-chequable savings deposits, which was probably the result of rising interest rates inducing people to shift their money to high-yielding daily interest savings accounts.

Chartered banks' loans assets in British Columbia averaged $42.4 billion in 1989, while deposits liabilities averaged $44.1 billion. Total chartered banks' loan assets grew 14.6 per cent during 1989. The value of personal loans increased 10.3 per cent, while residential mortgage lending, in keeping with the strong provincial housing market, rose 15.5 per cent. There was also a large 12.4 per cent increase in the value of non-residential mortgage lending, reflecting the strength of commercial and industrial construction in British Columbia. Business loans increased 18.4 per cent in 1989.

Deposits at trust companies in British Columbia totalled slightly over $6.2 billion in 1989, up 23.5 per cent from 1988. At the province's credit unions, deposits rose 15.6 per cent to over $8.5 billion by the end of 1989. Loans by credit unions increased 15.5 per cent during this period.

Vancouver Stock Exchange

As shown in Table 5.13, the volume and value of shares traded on the Vancouver Stock Exchange increased significantly in 1989. Reports of major gold exploration and development underway in northwestern British Columbia were a major force in the Vancouver Stock Exchange's performance in 1989.

Table 5.13 Indicators of British Columbia Financial Activity

Indicator	Units	1988	1989	Change 1988–1989
				(per cent)
Chartered Banks				
Employees (October 31)	(number)	18,362	19,320	5.2
Branches (October 31)	(number)	801	819	2.2
Automated banking machines (October 31)	(number)	639	766	19.9
Business loans outstanding (December 31)	($ millions)	7,819	9,258	18.4
Personal loans outstanding (December 31)	($ millions)	6,777	7,474	10.3
Credit Unions (December 31)				
Credit unions	(number)	116	114	−1.7
Members	(thousands)	1,014	1,022	0.8
Total assets	($ millions)	7,995	9,378	17.3
Vancouver Stock Exchange				
Volume of shares traded	(millions)	3,473	3,983	14.7
Value of shares traded	($ millions)	3,258	3,822	17.3
Transactions	(thousands)	1,710	1,504	−12.0

Sources: Chartered Banks — Canadian Bankers' Association.
Credit Unions — B.C. Central Credit Union.
Vancouver Stock Exchange — Vancouver Stock Exchange.

Real Estate

Strong housing demand fuelled activity in the British Columbia real estate market in 1989 (see Table 5.14). Housing starts totalled 38,894 units, up 27.6 per cent from 1988. The market for existing houses was very strong as Multiple Listing Service (MLS) sales volumes were up 23.9 per cent. The average MLS selling price

Table 5.14 British Columbia Real Estate Market Indicators

Indicator	Units	1988	1989	Change 1988-1989
				(per cent)
Housing starts				
Single units	(number)	17,761	21,612	21.7
Multiple units	(number)	12,726	17,282	35.8
Total	(number)	30,487	38,894	27.6
Multiple listing service activity				
Sales of listed homes	(number)	67,460	83,562	23.9
Average price	(dollars)	121,039	151,384	25.1
Apartment vacancy rates[1]				
Vancouver	(per cent)	0.7	0.5	—
Victoria	(per cent)	0.7	0.4	—
Kamloops	(per cent)	3.2	1.1	—
Kelowna	(per cent)	1.4	0.5	—
Prince George	(per cent)	6.5	1.8	—
Cranbrook	(per cent)	11.1	4.4	—

[1] Average of April and October vacancy rate surveys.
Source: Canada Mortgage and Housing Corporation.

for a home in British Columbia rose from $121,000 in 1988 to over $151,300 in 1989, a 25 per cent increase. The growing demand for housing also affected the rental market. Between 1988 and 1989, apartment vacancy rates dropped from an average of 0.7 per cent to 0.5 per cent in Vancouver, and from 0.7 per cent to 0.4 per cent in Victoria. Vacancy rates declined in many other cities of the province.

Tourism

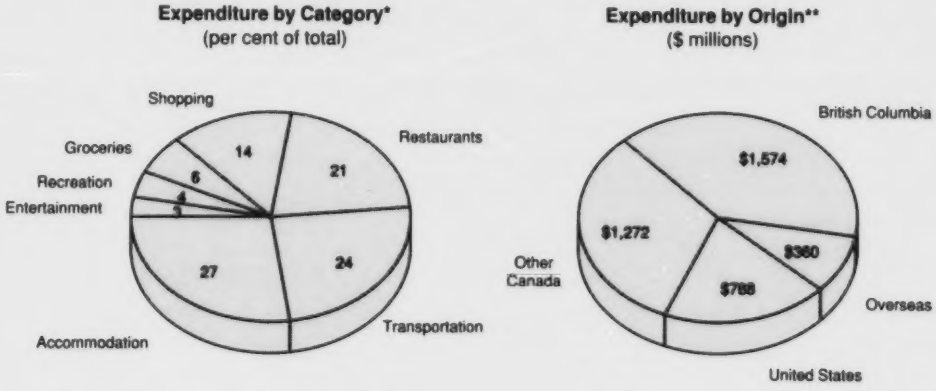
British Columbia enjoys an international reputation for its exceptional scenic attractions and opportunities for outdoor activities. In addition, there is a wide variety of urban and cultural attractions ranging from the performing and visual arts to professional sports, amusement parks and shopping.

Tourism Revenue

A new survey of tourism activity shows that tourism revenue from overnight visitors reached about $4 billion in 1989. (Due to survey and methodology changes, 1989 data are not comparable to previous years.)

Although tourism is viewed as a separate industry, it is actually a combination of various industries, which means that its economic benefits are widely distributed. Visitor surveys have revealed that of every tourist dollar spent in 1989, 24 cents went to transportation, 21 cents to restaurants, 27 cents to accommodation, 14 cents to shopping and souvenirs, 6 cents to groceries and beverages, and the balance to other goods and services. Although much of total tourism spending flows to the Lower Mainland and Vancouver Island, the development of tourism in other regions of the province is continuing with the help of the province's transportation network.

Chart 5.11 Tourism in British Columbia, 1989



* Estimate based on Visitor '89 study of non-residents
** Estimate

Source: Ministry of Tourism

Accommodation revenues are a very good indicator of overall receipts of the tourism industry. Revenues from all visitor-accommodation properties in the province totalled $674.8 million in 1989. Hotels, motels and resorts all experienced increases in occupancy in 1989. British Columbia hotels enjoyed their best year since 1981 with an annual occupancy rate of 69.7 per cent, up from 66.4 per cent in 1988. The motel occupancy rate averaged 59.1 per cent and the resorts occupancy rate averaged 62.9 per cent in 1989.

Tourism Markets

The total number of people travelling for one or more nights in British Columbia during 1989 was 14.7 million and the associated total revenue was $4 billion. Of the additional $182 million spent by excursionists (those who travel more than 50 kilometres from home, but do not stay overnight), almost $130 million, or 72 per cent, was spent by British Columbians.

British Columbia residents travelling within the province comprise the largest share of the tourist market, accounting for 48 per cent of total visits and 40 per cent of total revenues in 1989. Spending on overnight travel by residents totalled $1.6 billion in 1989. Non-resident visitors made up the balance, making 7.7 million person-trips to the province and generating $2.4 billion in revenues.

Spending by non-residents on transportation, accommodation, meals, recreation, and entertainment differs with visitor origin and length of stay. Visitors from the four most distant origins have the highest average daily expenditures, with Ontario residents spending an average of $84; eastern U.S. residents averaging $66; California residents $61; and overseas visitors, $58.

Overseas visitors to British Columbia accounted for almost 10 per cent of total revenue in 1989. Almost 46 per cent of foreign travellers came from Asia, with the Japanese comprising over half of this market. Europeans accounted for 38 per cent of total oversea visits, while Australians made up over 12 per cent. In total, oversea visitors stayed an average of 7.8 days.

United States visitors accounted for almost one-quarter of total visitors to the province and 19 per cent of total revenue in 1989. Washington, California, Oregon and other western states are the largest American markets. While the number of United States visitors was unchanged in 1989, most other provinces, and particularly Ontario, saw declines in this market.

During 1989, visitors from the rest of Canada generated $1.3 billion in revenue from 3.5 million person-trips. Alberta is British Columbia's largest market within Canada, and represents over half of all Canadian visits in 1989 and about a third of Canadian revenues. Ontario residents made up about one-quarter of the Canadian market but accounted for over 40 per cent of revenues.

Table 5.15 British Columbia Tourism Revenue and Overnight Visitors, 1989

Origin	Revenue	Visitors	Average Daily Expenditure
	($ millions)	(thousands)	($)
Non-residents[1]			
Canadian			
Ontario	528	819	84.13
Alberta	432	1,791	39.41
Other provinces	312	879	50.00
	1,272	3,489	–
United States			
California	216	681	60.59
Eastern states	192	601	65.94
Washington	168	1,112	47.33
Other western states	120	698	52.60
Oregon	72	329	43.01
	768	3,421	–
Overseas	360	773	57.78
Total non-residents	2,400	7,683	–
British Columbians[2]	1,574	6,997	56.23
Total	3,974	14,680	–

[1] Data for non-residents based on the Visitor '89 survey. Direct comparisons with previous years are unavailable.
[2] Preliminary.
Source: Ministry of Tourism.

Cultural Activity

Cultural activities are an important part of the service sector, enhancing the quality of life of residents and contributing to tourism activity. The province boasts 160 museums and art galleries, 32 restored historic sites, 25 archives, 86 public libraries and 40 professional performing arts groups.

Museums and Galleries

Almost every city and town in British Columbia has a museum that depicts the history, archeology and pioneer life of the area. The Royal British Columbia Museum in Victoria exhibits historical reconstructions, Indian ethnology, archaeology, and botanical and zoological displays. Other highlights include: the Centennial Museum, the H.R. MacMillan Planetarium, the Museum of

Table 5.16 British Columbia Arts Labour Force

	1971	1981	1986	Change 1971–1981	Change 1981–1986
	(number)			(per cent)	
British Columbia	7,755	15,935	20,210	105.5	26.8
Canada	73,520	143,620	172,930	95.3	20.4

Source: Statistics Canada.

Anthropology, and the Maritime Museum in Vancouver; exhibits on mining and tours through once-working mines at Britannia and Rossland; the Kootenay Doukhobor Historical Museum in Castlegar; the British Columbia Forest Museum near Duncan; and the O'Keefe Ranch Museum in Vernon.

Art galleries in British Columbia, such as the Emily Carr Gallery in Victoria and the Kamloops Public Art Gallery, often focus on talent inspired by British Columbia's physical beauty and the unique art of the West Coast Indian. In fact, British Columbia attracts more than its share of Canadian artists. Even though the province has only 11.6 per cent of Canada's population, it claims almost 18 per cent of its visual artists. The Vancouver Art Gallery, housed in the city's 19th-century former courthouse, is impressive both in its architecture and art collection.

There are more than 32 restored historic sites in British Columbia depicting the history of the province's native people, fur traders, gold prospectors, immigrants and colonial governors. Prehistoric Indian petroglyph rock carvings, fur trading posts, gold-rush towns of Barkerville and Fort Steele, heritage buildings in various communities, and trails from the 19th century and earlier are part of the province's historical resources being preserved or accurately restored to their period status.

Performing Arts

In 1988, over 1.8 million people watched performances by British Columbia's 40 professional performing arts groups, including theatre troupes, music groups, opera societies and dance companies. This same audience spent almost $12 million to obtain tickets for these performances. A recent study showed that British Columbia has higher per capita attendance at music and theatre performances than any other province.

British Columbia's patrons of the performing arts have much to choose from. Music lovers enjoy performances by the Vancouver Symphony or the various symphony societies in smaller cities, and by the Vancouver Opera Society or Victoria's Pacific Opera Association. Theatre groups have proliferated in recent years and include Vancouver's Arts Club, the Playhouse Theatre Company and the Vancouver East Cultural Centre. Young people's theatre is also popular and encouraged by the Canadian Institute of the Arts for Young Audiences, which produces the Vancouver Children's Festival each year. Ballet B.C. is one of the many traditional and contemporary dance companies performing in the province.

Libraries and Archives

British Columbia has numerous public, academic, school and special libraries that offer opportunities for research and enjoyment. There are also 25 archives in the province including the British Columbia Archives and Records Service of the provincial government. Their mandate is the collection and preservation of documents pertaining to British Columbia's history.

Film and TV Production

British Columbia has three major movie studios and several smaller ones, all located in the Lower Mainland. Studios are used to house movie, television, commerical and video productions.

In 1989, 37 film and television productions were shot in British Columbia. Total 1989 production budgets for these films and series were $351 million, up 60.3 per cent from the previous year. Almost three-quarters of the total budgets were spent in British Columbia.

Table 5.17 British Columbia Film and Television Production

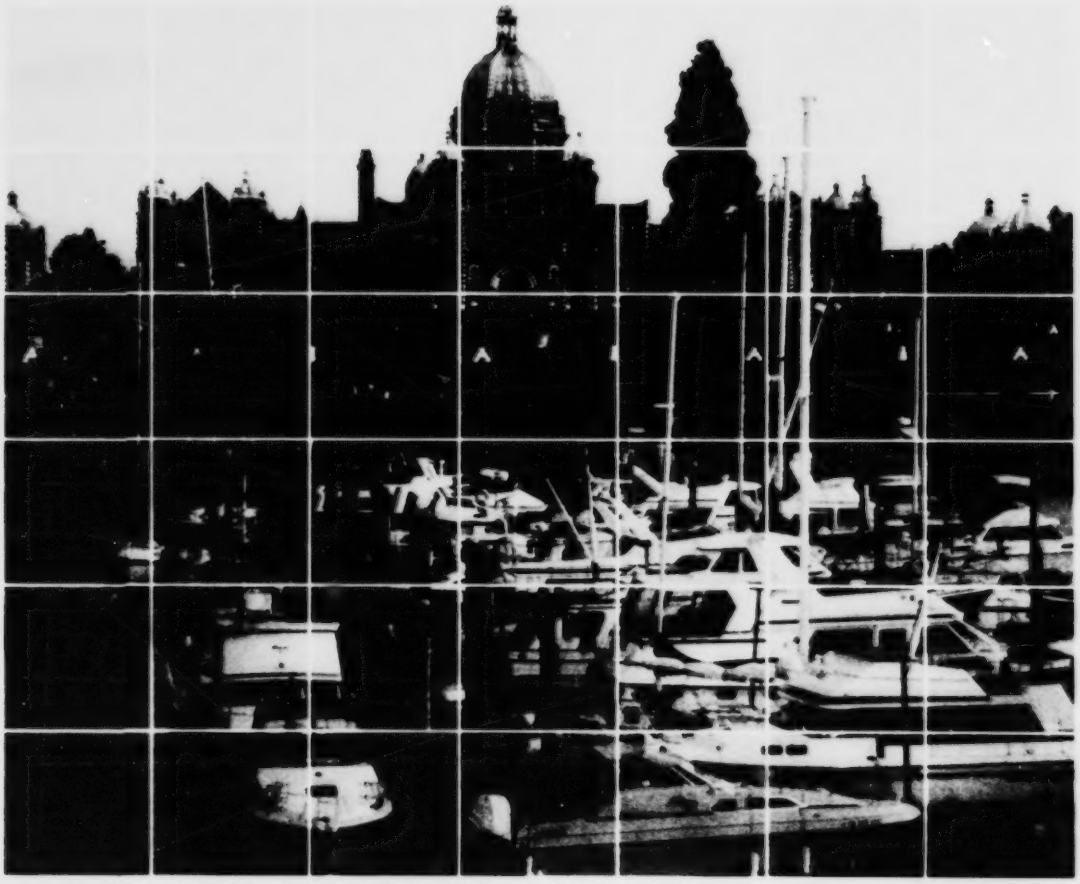
Type of Production	1985	1986	1987	1988	1989
	(number of productions)				
Feature films	9	8	5	19	14
Television movies	14	12	14	9	11
Television series	5	5	9	18	12
Total	28	25	28	46	37

Source: British Columbia Film Commission.

Publishing

British Columbia has an active publishing community. According to Statistics Canada's survey of book publishers, 266 publishing firms are established in Canada of which 24 (or 9 per cent) are located in British Columbia. Local British Columbia book publishers have over 2,000 titles in print and at least half of their sales are outside the province. Total domestic sales of provincial publishers reached $15 million in 1987-88, the latest year for which statistics are available.

Chapter 6
The Provincial Government and Intergovernmental Relations



6: The Provincial Government and Intergovernmental Relations

Overview

The present structure of the British Columbia government is rooted in British parliamentary tradition and precedent. Prior to 1866, British Columbia was composed of two British-controlled Crown colonies, one on Vancouver Island and a second situated on the mainland. In 1866, the Union Proclamation joined these colonies to form the Crown Colony of British Columbia. Although the Colony of Vancouver Island had a parliamentary form of government as far back as 1856, the first fully responsible government was instituted when British Columbia entered into Confederation with Canada on July 20, 1871.

The Constitutional Framework

Upon entering Confederation, British Columbia came under the authority of the *British North America Act (BNA Act)*, a statute of the British parliament. Until 1982, the *BNA Act* defined the major national institutions and established the division of authority between the federal and provincial governments. In 1982, the *BNA Act* was incorporated into the *Constitution Act*. The passage of the *Canada Act, 1982* ended the British parliament's legal right to legislate for Canada.

Canada, as a federal state, divides legislative powers between the central and provincial governments.

The Provincial Government

British Columbia's government is modelled after the British system. There are three main branches: the legislature, the executive and the judiciary.

The Legislature

Legislative powers in British Columbia are exercised by a single legislative chamber, which is elected for a maximum five-year term. The legislature consists of the lieutenant governor and 69 elected members of the legislative assembly.

The legislative assembly represents the people of British Columbia in the conduct of the province's affairs. The assembly is required by law to meet at least once a year with a normal session lasting several months. However, special sessions can last just a few days or many months, depending on the nature of the government's business.

The Executive

The executive is composed of the lieutenant governor and the executive council (the cabinet). The lieutenant governor is the Queen's representative in British Columbia and holds a largely ceremonial place in modern provincial government. By constitutional custom, the lieutenant governor is appointed by the Governor General of Canada for a term usually running five years. The current lieutenant governor is His Honour the Honourable David C. Lam.

Following a general election, the lieutenant governor calls upon the leader of the political party with the largest number of elected members to serve as premier and to form the provincial government. The lieutenant governor, on the advice of the premier, appoints members of the executive council and is guided by the executive council's advice as long as it holds the confidence of the legislative assembly.

The lieutenant governor, on the recommendations of the premier, convenes, prorogues and dissolves the legislative assembly and gives Royal Assent to all measures and bills passed by the assembly before they become law.

The executive council, or cabinet, is composed of selected members of the ruling party and is headed by the premier. Members of the cabinet usually head government ministries and are members of a variety of cabinet committees (see Appendix 9). At present the cabinet is made up of the premier and 20 ministers.

The cabinet determines government policy and is held responsible by the legislative assembly for the operation of the provincial government. Deputy ministers are the chief operating officers of ministries and are appointed by the executive council. Deputy ministers are responsible for carrying out government policies and for managing the work of their ministries.

The Judiciary

The judiciary performs a number of functions central to the orderly operations of society. One important role of the judiciary is to settle disputes between private citizens using judge-made law, known as "common-law". Another is to interpret laws passed by the federal parliament and provincial legislatures in areas such as criminal and family law, and to settle disputes between the government and citizens. An increasingly important function of the judiciary is to determine whether laws passed by governments conform with the values expressed in the Canadian Charter of Rights and Freedoms.

The British Columbia judicial system is composed of the Court of Appeal for British Columbia, the Supreme Court for British Columbia and the Provincial Court of British Columbia, which includes Small Claims Court and Family Court. Judges are appointed to the British Columbia Court of Appeal and Supreme Court by the federal government and to the Provincial Court by the provincial government.

The federal judicial system includes the Federal Court of Canada and the Supreme Court of Canada. The Federal Court of Canada hears cases in limited areas of exclusive federal jurisdiction, such as reviewing decisions made by federal

tribunals like the Canada Labour Relations Board. The Supreme Court of Canada is the court of final resort and hears selected appeals from the federal Court of Appeal and the provincial Courts of Appeal.

Provincial Government Jurisdiction

Under Canada's constitutional framework, the province has ownership of and jurisdiction over natural resources and has responsibility for education, health and social services, municipal institutions, property and civil rights, the administration of justice and other matters of purely provincial or local concern. Provincial programs in support of this jurisdiction are detailed in Chapter 7.

Provincial Taxes

To meet its financial commitments the provincial government has the authority to collect revenue through direct taxation within provincial boundaries and to borrow on provincial credit.

Income Tax Rates

The British Columbia personal income tax rate is 51.5 per cent of basic federal tax. This means that a typical British Columbia taxpayer is required to remit $51.50 in income tax to the provincial government for every $100 of basic federal income tax, calculated before the addition of federal surtaxes and federal refundable credits. A wage earner, who earns $45,000 per year and has a dependent spouse and two dependent children, would pay provincial income tax equal to approximately eight per cent of total income in 1990.

The corporation income tax rate for corporations not qualifying as a small business is 14 per cent of taxable income earned in the province. For corporations qualifying as a small business, the rate is nine per cent.

Other Tax Rates

The general tax rate on purchases of tangible personal property imposed under the *Social Service Tax Act* is six per cent. Purchases of liquor products are taxed at a rate of 10 per cent.

The tax rate on hotel accommodation is eight per cent. Accommodation priced at $20 or less per night is exempt from tax. Municipalities, regional districts and other eligible entities may request that the provincial government levy an additional tax of up to two per cent on their behalf. The revenue from the additional tax must be used to fund tourism-related projects or to promote tourism. Additional hotel accommodation taxes are currently levied on behalf of the Resort Municipality of Whistler, the cities of Vancouver and Victoria, and the districts of Oak Bay and Saanich.

The corporation capital tax is applied to taxable paid-up capital at a rate of two per cent for chartered banks and trust companies with taxable paid-up capital in excess of $500 million. These corporations may deduct British Columbia corporation income tax paid from their corporation capital tax liability.

Fuel tax rates (except for marine bunker fuel and natural gas used in stationary engines) are adjusted every three months in accordance with changes in the gasoline sub-component of the Vancouver consumer price index. The provincial tax rate on clear unleaded gasoline is 22.5 per cent of the retail price before tax (9.93 cents per litre at October 1, 1990). The tax on clear leaded gasoline is equal

to the unleaded rate plus two cents per litre. Tax rates on most other fuels are seven per cent of the pre-tax price of clear gasoline. The tax on marine bunker fuel and natural gas used in stationary engines is seven per cent of its pre-tax retail price.

Compressed natural gas and propane used to propel motor vehicles are exempt from provincial fuel tax. Disabled drivers are eligible for a 100 per cent rebate of gasoline tax.

The property purchase tax is charged to the purchaser on the registration of a transfer of real property in a land title office. The tax rate is one per cent on the first $200,000 of fair market value transferred and two per cent on the balance.

Tax rates for cigarettes and most other tobacco products are adjusted in accordance with changes in the tobacco sub-component of the Vancouver consumer price index on March 1 and September 1 of each year. The tax rates were 6.36 cents per cigarette and 4.9 cents per gram of loose tobacco at September 1, 1990.

Other provincial taxes, including horse racing tax, insurance premium tax, real property tax, logging tax, mining tax, and mineral land tax, are described in Appendix Table A6.3, which lists major provincial taxes, exemptions and tax credits. Appendix Table A6.2 provides an interprovincial comparison of tax rates.

Recent Provincial Government Legislation of Financial Significance

The following legislation of financial significance was enacted by the legislature during the 1990 spring session. Appendix Table A6.1 provides a summary of major tax changes effective in 1989 and 1990.

- The *School Act* establishes the school block funding system, wherein the Ministry of Education annually allocates an overall block of funds for public education and determines each school district's share of the block. School districts receive all of their block funding from provincial government contributions. Residential school property taxes are now a provincial government revenue. If school districts establish budgets which are higher than their share of the block, they must obtain local taxpayer approval, through referenda, to increase local residential school property taxes.
- The *Home Owner Grant Amendment Act, 1990* continues the home owner grant for 1990 and subsequent years at levels established for the 1989 tax year ($430; or $700 for seniors, the disabled and recipients of war veterans allowances). In addition, it introduces a supplementary grant of 25 per cent of the amount by which regular school taxes exceed the basic grant, to a maximum of $1,000. For 1991 and subsequent years, the supplementary grant rate will increase to 50 per cent. School taxes resulting from a local referendum are not included in the calculation of the supplementary grant.
- The *Income Tax Amendment Act, 1990* increases the maximum renter's tax reduction from $200 to $225 for each family member and extends the program for an additional year to 1994. Taxpayers with dependents are allowed higher levels of total family income before the tax credit reduction is triggered. The phase-out of the program will now commence in the 1991 taxation year.

- The *Sustainable Environment Fund Act* establishes a special account to finance environment-related programs, including waste disposal and forest renewal. Some existing sources of funding are transferred to the special account. Additional revenue is provided by new levies on motor vehicle tires, lead-acid batteries and disposable diapers.
- The *Property Purchase Tax Amendment Act, 1990* increases the price limit on houses eligible to b ·nefit from the property purchase tax relief program from $150,000 to $200,000 for home buyers in the Greater Vancouver, Central Fraser Valley and Dewdney-Alouette Regional Districts. The program provides tax relief to purchasers of eligible properties who require financing in excess of 75 per cent of the purchase price.

International Relations

The provincial government has undertaken a number of activities in recognition of the importance of foreign trade and investment to British Columbia's economy. In addition, the province has fostered stronger international ties in other areas, such as the environment, education, energy, technology, tourism and culture.

Trade and Investment

The provincial government, through the British Columbia Trade Development Corporation, encourages the export of British Columbia goods and services and fosters the expertise needed to compete in export markets (see Chapter 8).

The province also operates trade, investment and tourism promotion offices in the United States, Europe, Asia, and from British Columbia House in Ottawa. These offices promote provincial exports, and investment, business immigration, education and tourism opportunities in British Columbia.

During 1989/90, the status of British Columbia's representative in the Tokyo office was upgraded to Agent General and new trade offices were opened in Singapore and Munich, which replaces the Dusseldorf office. Other offices are located in Tokyo, Hong Kong, Seoul, Seattle, San Francisco, and Irvine, California.

In September 1990, British Columbia and the State of California signed an economic partnership agreement, which is designed to increase interaction in joint areas of concern such as tourism, transportation and the environment.

Delegations of business and government representatives, including cabinet members, made a number of trips during 1989/90 to hold discussions with foreign governments and business leaders and to promote trade and investment opportunities in British Columbia. Trips to Europe and Asia were used to highlight industries such as electronics, aerospace and financial services. For the second consecutive year, business and government representatives attended the World Economic Forum held in Davos, Switzerland.

The provincial government also welcomed numerous foreign delegations to British Columbia including the Keidanren, a group of senior Japanese business leaders, who lauded the province as a favourable investment location.

Map 6.1 British Columbia — An International Perspective

Multilateral Trade Negotiations

In September 1986, representatives from over 90 countries met in Punta del Este, Uruguay, under the auspices of the General Agreement on Tariffs and Trade (GATT) to launch a new round of Multilateral Trade Negotiations (MTN). As more than half of British Columbia's exports are destined for markets other than the United States, the province places a great deal of importance on a successful conclusion to the Uruguay Round of the MTN.

Most national positions have been tabled and negotiations are in the final stages. Significant differences still separate many of the major players. The Uruguay Round will formally conclude with a ministerial conference in Brussels in December 1990.

British Columbia's MTN negotiating priorities have been communicated to Canadian trade negotiators and include:

- elimination of tariff and non-tariff barriers particularly on natural resource-based products;
- greater liberalization of trade in agriculture, providing the right of Canadian producers to continue operating under GATT-legal supply management regimes is respected;
- maintenance of GATT laws governing the right to take natural resource conservation measures;
- improved GATT trade rules and dispute settlement procedures; and
- establishment of a multilateral framework of principles to regulate international trade in services.

Canada-U.S.-Mexico Free Trade

In September 1990, the federal government announced that Canada would be consulting with the United States and Mexico to initiate trilateral free trade negotiations.

Mexico is British Columbia's most important Central American trading partner. In 1989, British Columbia exported $32 million worth of goods to Mexico, including wood pulp, electrical machinery, equipment and parts, asbestos, machinery for pulp and mineral production. British Columbia's export opportunities may also increase due to Mexico's recent efforts to lower tariff and non-tariff barriers unilaterally.

Environment

In March 1990, the province hosted Globe '90 (Global Opportunities for Business and the Environment), the first major international forum on sustainable development. Globe '90 is the first in a biennial series of conferences and trade fairs, designed to promote environmentally sustainable economic development and related business opportunities. About 20,000 people visited the fair, while 3,500 delegates attended the conference.

Education

The Pacific Rim nations are a rapidly growing economic and social presence, and one of British Columbia's most important trading blocks. In 1988/89, the Pacific Rim Education Initiatives program was introduced to provide educational opportunities for teachers and students of British Columbia and Asia, as well as to establish closer cultural and economic links with Japan, Thailand, Malaysia, Korea and China.

As of July 1990, more than 1,700 students and 880 teachers travelled to Asia. One-year scholarships were awarded to 48 students, while 20 teachers were selected for international teaching assignments in Asian countries. In 1989/90, 122 highly qualified, fee-paying Asian students were recruited to attend schools in British Columbia. In addition, the number of students enrolled in Japanese and Mandarin language programs has jumped from 250 in 1987 to 2,400 in 1989.

The Ministry of Education also coordinates a student exchange program with Germany. Each year, 100 British Columbia and German students spend three months in each other's country, while 26 German educators and administrators make one or two-week trips to the province. Plans are underway to expand the program in light of the changing political and economic climate in Europe.

Technology

During 1989, work continued to secure funding for the $693-million KAON facility at the University of British Columbia. This proposed world centre for the production of sub-atomic particles has generated financial commitments from nine countries, including the United States, Germany, Britain and Japan. The KAON facility is expected to attract some of the world's most brilliant scientific minds to British Columbia.

Energy

In January 1990, the provincial government announced that the downstream energy benefits sold to the United States under the Columbia River Treaty in 1964 would revert to the province starting in 1998.

Federal-Provincial Relations

Over the past year, the province has participated actively in discussions with other provincial, territorial and federal governments on a wide range of issues.

Western Premiers' Conferences, Annual Premiers' Conferences, and First Ministers' Conferences, as well as intergovernmental conferences involving ministers, deputy ministers, and senior officials, have addressed issues involving social, economic, fiscal, and environmental policy and program matters.

British Columbia is actively involved in developing and pursuing policies to advance its interests and exercise its jurisdiction in a number of areas where responsibilities are shared with the federal government. These include trade, environment, regional development, human resource development, immigration, agriculture and fisheries.

The institutional and constitutional objectives of providing a more effective and appropriate voice in national decision-making bodies were also advanced. The province has stressed the need for genuine consultation and cooperation on federal-provincial issues, particularly those affecting the fiscal position and program capability of the province. British Columbia has acted, often in cooperation with other provinces, to ensure that obligations undertaken by the Government of Canada are honoured. The provincial government has expressed its concerns that federal fiscal and monetary policies are having a negative or unfair impact on the interests of British Columbians.

The province and the federal government funded the recently-completed project definition study for expanding the TRIUMF particle accelerator into a KAON facility.

British Columbia House in Ottawa maintains the provincial government's presence in the nation's capital. It represents the province at federal-provincial meetings, provides contact and liaison with federal ministers and officials on provincial priorities, and promotes the province's economic development and diversification interests, particularly in the area of federal procurement.

Federal-Provincial Fiscal Arrangements

The major fiscal arrangements between the federal government and the provincial government are embodied in the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977.* This act provides for federal transfers to provincial governments for health care and post-secondary education, a fiscal stabilization program, an equalization program and tax collection agreements between the federal government and participating provinces.

Health Care and Post-Secondary Education Transfers

In 1977, the Established Programs Financing (EPF) mechanism replaced cost-sharing of hospital insurance, medical care and post-secondary education with a combination of transferred personal and corporation income tax points and federal cash payments to the provinces. The federal government also makes per capita cash payments for extended health care programs. The transfer is largely unconditional, with the exception of a requirement to adhere to five basic principles of health care.

In recent years the federal government has modified the EPF program several times to reduce its contributions to the provinces. Presently the cash transfer is changed annually, depending on the per capita growth in Canadian gross national product less 3 per cent, the growth in provincial population and changes in the provincial personal and corporation income tax bases. In its 1990 budget, the federal government announced a two-year freeze in the per capita growth of the EPF transfer. This freeze will have a negative impact on provincial revenues of $103 million in 1990/91 and $184 million in 1991/92. By 1994/95, the accumulated revenue loss of changes to the EPF program is estimated at $4.8 billion.

During 1989/90, British Columbia received an EPF cash payment of $1,240 million.

1991 Census of Population

Most Canadians are aware that every five years they must stand up and be counted — for our national census. The census count is valuable in planning for housing, roads, education, health and many other people services. In addition, population is a major factor in determining the amount of federal transfer payments received by each province.

Population

Population is defined as either the census count in census years or population estimates certified by Statistics Canada in other years.

Undercount

Census counts, however, include an error known as undercount that reflects the number of people not counted in the census. British Columbia usually shows a 50 per cent higher rate of undercount than the other provinces, and as a result, loses out on its share of transfer payments.

1986 Census

For example, in the most recent 1986 Census, Statistics Canada estimates the undercount for British Columbia at about 4.5 per cent, equivalent to 129,000 people, compared to an average of 2.9 per cent for the other provinces. This difference costs British Columbia tens of millions of dollars each year.

1991 Census

According to a study conducted by Statistics Canada following the 1986 Census, a significant improvement in undercount can be made by checking civic address registers for dwellings that might be missed by census staff. Statistics Canada intends to use these address registers during the 1991 Census for all urban areas having populations over 50,000.

The Ministry of Finance and Corporate Relations is going one step further. To help Statistics Canada reduce British Columbia's undercount, the ministry will also use the address registers for areas of the province with fewer than 50,000 people.

The project, which is being undertaken in cooperation with Statistics Canada, has two main objectives: first, to produce a list of dwelling addresses that is accurate and complete; and second, to provide a computerized database of street maps and address information for targeted areas in the province. These tools will help census enumerators make more accurate population counts.

Benefits

The major benefit is the expected increase in federal transfer payments to British Columbia — approximately $3,800 over a five-year period for each person who would not otherwise have been counted in the 1991 Census.

Equalization

The federal government's equalization program provides cash payments to provinces with relatively low revenue-raising ability to help them maintain a reasonable standard of public services without unduly high tax rates. Under the program, each province's revenue raising capacity is measured against the average of five representative provinces. British Columbia does not qualify for equalization payments from the federal government.

Tax Collection Agreements

Provinces levy income taxes and, through tax collection agreements, a number of provinces, including British Columbia, have authorized the federal government to collect personal and corporation income taxes on their behalf. Nine provinces participate in the personal income tax collection agreement and seven participate in the corporation income tax agreement. Quebec does not participate in the agreements for either corporation or personal income taxes, while Ontario and Alberta collect their own corporation income tax.

The advantage of having the federal government collect provincial taxes is that each taxpayer is required to file only one tax return for payments of both federal and provincial government income taxes. However, under the agreement between Canada and British Columbia, the province must adopt income tax legislation and regulations similar to those of the federal government. This reduces provincial government control over its own tax base.

Canada Assistance Plan

The other major federal-provincial financial agreement is the Canada Assistance Plan (CAP) through which the federal government makes payments to the provincial government, on a cost-shared basis, for eligible expenditures on income assistance and social services. British Columbia's CAP receipts were $687 million in 1989/90.

As part of its 1990 budget restraint measures, the federal government announced that it would limit the growth of CAP transfers to those provinces that did not receive equalization payments to a maximum of 5 per cent per year. The province successfully challenged the legality of the federal proposal in the British Columbia Court of Appeal. The federal government is appealing this decision to the Supreme Court of Canada.

Other Federal Government Contributions

The provincial government has agreements with the federal government in many other areas including training, public housing, economic development, forestry, agriculture, ferry services, fisheries enhancement, youth corrections and the rehabilitation of disabled persons. Most of these agreements are for a limited duration. Federal government contributions to General Fund revenue for these various programs totalled $174 million in 1989/90.

During 1989/90, approximately 16 per cent of provincial government revenue was received in the form of federal government contributions. Due to federal government deficit reduction efforts, this proportion will decline in future years.

Fiscal Federalism for the 1990s

In recent months, the Honourable Mel Couvelier, Minister of Finance and Corporate Relations, has been expressing his concerns that the burden of government debt on taxpayers will erode Canada's ability to compete in global markets.

The Critical Issue – Deficits and Debt

The most important factors affecting Canada's medium and long-term prospects are government deficits and the rapidly growing public debt, particularly at the federal level.

- Federal debt totalled $358 billion at March 31, 1990.
- Debt service costs continue to grow; they are now absorbing 35 cents of every federal revenue dollar.
- To balance its budget, the federal government now has to generate revenues which exceed program costs by over $40 billion.

Approaches to Greater Fiscal Stability

Two approaches for restoring fiscal discipline to the government sector are *disentanglement* and *fiscal controls*.

Disentanglement

The disentanglement option involves creating the means for provinces to fund programs, free of potential interference by the federal government, in areas where provinces have constitutional authority.

Disentanglement arises out of the recognition that the system of fiscal arrangements — under which both levels of government take responsibility for program design and funding for many major programs — has contributed to Canada's debt problem by creating incentives for excessive public spending.

- In the past, federal "50-cent dollars" influenced initial provincial decisions to embark on expensive social and economic development programs.
- With funding from two levels of government, no one government can be clearly held accountable by taxpayers.
- There is less incentive to monitor the effectiveness and appropriateness of programs.
- Waste, duplication and overlap can be created in areas where parallel federal and provincial programs exist.

By addressing these deficiencies, the disentanglement option may inject more fiscal discipline into government decision-making in Canada.

Disentanglement will require considerable ingenuity to accomplish because of the complex dynamics of fiscal federalism in Canada, and in particular, the considerable differences in provincial fiscal capacity. Reformed federal-provincial fiscal arrangements must:

- maintain the principle of equalization among provinces;
- ensure that the impact of change is consistent among provinces;
- ensure federal deficit reduction; and
- retain national standards sought by provinces.

Fiscal Controls

A second approach to instilling fiscal discipline involves legislated deficit ceilings and requirements that governments balance their budgets. This has been attempted in the United States with the *Balanced Budget and Emergency Deficit Control Act*, commonly known as Gramm-Rudman.

Other legislated restrictions could include limits to expenditure growth or expenditure levels, taxation, government deficits, and/or government debt.

Additional Measures

There are other improvements that could be made to federal-provincial fiscal arrangements.

Restructuring the Income Tax System

The significant increase in the provincial share of income tax revenues that would result from disentanglement would magnify existing flaws in the current income tax system. One major flaw is that the federally-controlled income tax collection system no longer provides sufficient flexibility for the provinces to meet their objectives.

Policy Coordination

A second activity that would help to renew fiscal federalism and restore fiscal discipline would be more effective coordination of policy initiatives among provinces, and between provinces and the federal government.

The intent would be to facilitate a strong provincial role in decision making in key national policy areas, including fiscal and monetary policy.

Conclusion

Resolving Canada's serious fiscal problems is a necessary step to improving Canadian fiscal and economic management. As such, it is a crucial "nation-building" exercise for the 1990s.

Local Governments

Local governments in British Columbia consist of incorporated municipalities, regional districts, school districts, regional hospital districts and special purpose improvement districts.

The 148 incorporated municipalities, which include 38 cities, 49 districts, 14 towns, 46 villages and 1 Indian government district, provide facilities such as roads, waterworks and sewers, as well as a wide range of social, recreation and protection services.

The 29 regional districts incorporated under the *Municipal Act*, combine municipal and other local areas to provide services efficiently over a large area. Almost all of the province is included within regional district boundaries. The Stikine region is the only unincorporated area in the province.

The 75 school districts incorporated under the *School Act* provide coordinated administration of schools. These districts cover 98 per cent of the province and usually combine adjacent municipal and non-municipal areas.

The 29 regional hospital districts incorporated under the *Hospital District Act*, which share boundaries with the regional districts, assist in the planning and construction of health facilities.

Finally, there are 318 improvement districts, primarily in non-municipal areas, incorporated under the *Municipal Act* or the *Water Act*. Services provided by improvement districts include waterworks, fire protection, irrigation, street lighting, drainage, garbage disposal, sewage disposal, parks and playgrounds, dyking, community halls, recreation areas, cemeteries, land acquisition, boat landings, mosquito control, river bank protection, water treatment, electrical energy and lake level control.

Municipal Finance Authority of British Columbia

The Municipal Finance Authority is incorporated under the *Municipal Finance Authority Act* as a central agency to provide financing of capital requirements and short-term investment opportunities for regional districts and municipalities in British Columbia.

All regional districts and their member municipalities, except the City of Vancouver and two special purpose districts, are required to finance their long-term capital requirements through the authority. The authority issues its own securities and lends the proceeds to the regional districts at whose request the financing was undertaken. The authority's bonds are rated AA+ by Canadian Bond Rating Service, Aaa by Moody's Investors Service, and AA+ by Standard and Poor's Corporation.

Obligations of the authority are not obligations of, or guaranteed by, the provincial government. The combined credit-worthiness of all the regional districts and their member municipalities, which together encompass almost all of the taxable land and improvements in the province, stands behind the authority's obligations. In

addition, a debt reserve fund is maintained to satisfy obligations in the event that sufficient funds are not available to meet payments or sinking fund contributions. If the Board of Trustees of the authority is of the opinion that payments made from the debt reserve fund will not be recovered within a reasonable period, it may, and under certain circumstances must, levy on all taxable land and improvements in the province rates sufficient to restore the fund to its original level.

As of May 31, 1990, the outstanding long-term debt contracted by the authority was $1,232 million, while the debt reserve fund balance was $148 million.

Since May 1, 1989, the authority has operated two pooled investment funds for the purpose of holding and investing money received from regional districts and municipalities. Participation in the funds is on a voluntary basis.

British Columbia Assessment Authority

The British Columbia Assessment Authority is incorporated under the *Assessment Authority Act* as an independent, publicly-funded corporation with responsibility for establishing and maintaining real property assessments throughout British Columbia in accordance with the *Assessment Act*. The authority is governed by a seven-member board of directors reporting to the Minister of Municipal Affairs, Recreation and Culture.

With the exception of farm land, forest land and some utilities, land and improvements are assessed at their market value as of a specific date. The provincial government has prescribed nine classes of property, for which different tax rates may be set.

A new assessment roll is completed by September 30 of even-numbered years for use in the next two tax years. A revised assessment roll is completed by September 30 in each odd-numbered year for those properties which have undergone changes in physical characteristics, classification or ownership. The assessment roll, once certified by the assessor, is presented to the taxing jurisdictions (i.e., municipal governments, regional districts, school boards, etc.) to form the basis of their tax rolls. Individual assessment notices are sent to all assessed owners. Taxing authorities set tax rates for each of these property classes.

The authority maintains an extensive and up-to-date information data base on all properties in British Columbia. In addition to providing information in the form of assessment rolls, the authority also provides accurate property and value information to taxing authorities, through a cooperative program of information sharing, and to all property owners or their authorized agents. Confidential property information, not shown on assessment rolls, is only available to the property owner.

Property valuation by the authority is subject to checks and balances in the form of legislated appeal procedures through the Courts of Revision, the Assessment Appeal Board, and finally, the court system. The actual and school taxable values are shown in Table 6.1.

Table 6.1 Actual and School Taxable Property Values, 1990

	Total Actual Value	School Taxable Value[1]
	($ millions)	
(a) By taxing jurisdiction		
Cities	67,635	57,058
District municipalities	71,789	62,089
Towns	2,373	1,985
Villages	1,745	1,374
Rural	26,466	20,098
Total	170,008	142,604
(b) By property classification		
Residential	108,645	102,804
Utilities	12,044	9,078
Unmanaged forest land	28	27
Major industry	5,345	4,802
Light industry	2,085	1,789
Business/other	36,606	22,670
Managed forest land	476	476
Recreational property/Non-profit organization	3,445	299
Farm land	1,334	659
Total	170,008	142,604

[1] School taxable value is the total actual value of property less the value of property that is exempt from school tax.

Provincial-Local Relations

The provincial government funds a number of programs for local governments including a revenue-sharing program, a downtown revitalization program, grants in lieu of property taxes and a home owner grant program. In addition, significant financial contributions are made to school districts and regional hospital districts (see Chapter 7 for details).

Revenue Sharing

Under the 1977 *Revenue Sharing Act*, a revenue-sharing formula gives municipalities access to the broader provincial revenue base and so reduces pressure on the real property tax base. The formula transfers annually into the Revenue Sharing Fund Special Account an amount equal to the yield of one point of personal income tax, one point of corporation income tax, and six per cent of social service tax, fuel taxes and natural resource revenue. Municipalities and regional districts were allocated $288 million under the act in 1989/90. Payments are in the form of both conditional and unconditional grants (see Appendix Table A6.4).

In 1985, a Grant Stabilization Account was established within the Revenue Sharing Fund Special Account to partially insulate grants to municipalities from fluctuations in provincial government revenue. During 1989/90, a contribution of $2 million was made to the account and the balance available for use in future years is now $31 million.

In 1990, a $10-million Local Government Emergency Account was created within the Revenue Sharing Fund Special Account to ease situations of economic distress in communities. Also, funding for the Regional District Administration and Basic Grants programs increased and the province agreed to pay interest on the Grant Stabilization Account and the Local Government Emergency Account.

Downtown Revitalization Program

The Downtown Revitalization program provides grants and loans to municipalities and the business community for the revitalization of downtown areas. The Downtown Revitalization Program Society of British Columbia administers the program, which is funded by the Lottery Fund Special Account.

Grants in Lieu of Property Taxes

The provincial government pays grants in lieu of taxes on Crown property to municipalities under the *Municipal Aid Act*. The grants are equal to the assessed value of the property, multiplied by the applicable municipal and regional district tax rate, including the debt service levy. Many British Columbia Crown corporations also pay grants to municipalities on the same basis. In 1989/90, the provincial government paid $857,000 under this provision, while the British Columbia Buildings Corporation paid approximately $10 million on behalf of provincial government ministries.

Provincial Home Owner Grant

The Provincial Home Owner Grant Program reduces property tax levies for eligible homeowners. In 1989, the grant to each eligible homeowner, to be applied first against the local school tax levy, was $430. An additional $270 grant was paid to eligible homeowners aged 65 years or over, to eligible disabled persons and to those eligible persons receiving an allowance under the federal *War Veterans Allowance Act* or the *Civilian War Pensions and Allowances Act*.

In 1989, as a result of this property tax relief program, many British Columbia homeowners paid the minimum property tax for local government services (including education) of $350, or $100 for those eligible for the larger grant. Provincial home owner grants totalled $342 million in 1989/90, an increase of $46 million from 1988/89. An estimated $325 million was applied to reduce local school taxes, while the balance was applied to reduce other local property tax levies.

The 1990 provincial budget introduced the supplemental home owner grant. In addition to the basic grant, homeowners receive a supplemental grant equal to 25 per cent of the difference between the maximum basic grant and school property taxes.

Native Indians

There are nearly 81,000 status native Indians in 196 bands in British Columbia, with approximately 42,000 living on reserves. Although the federal government has constitutional responsibility for status Indians on reserves, it is the goal of the provincial government to encourage native Indian social and economic advancement. The provincial government believes that the best approach to achieving this goal is to resolve issues locally.

Local Self-Government

Many native Indian organizations are seeking a greater degree of self-government, free of the restrictive aspects of the federal *Indian Act*.

The Sechelt Band established a quasi-municipal form of government for their members after passage of enabling federal legislation in 1986 and provincial legislation in 1987. The Sechelt initiative is the first in British Columbia and may serve as a model for other Indian bands. The provincial government is prepared to discuss other models for self-government within the Canadian constitutional framework and issues within provincial jurisdiction.

The provincial government is also willing to transfer certain social programs to the control of native agencies. Arrangements have been made whereby two tribal councils and one band have assumed responsibility for native child and family protection services. In addition, the new provincial *School Act* allows for local agreements between Indian bands and school districts in order to enhance native participation in the delivery of education.

Taxation

The federal *Indian Act* was amended to grant Indian bands taxing power over non-native occupiers of reserve lands. Local governments and the province (in rural areas) continue to have the power to tax non-native occupiers of reserves. In 1989, the *Indian Land Tax Cooperation Act* was passed which provided an opportunity for assessment procedures and tax levies to be coordinated. In 1990, the government expanded the scope of the act and replaced it with the *Indian Self Government Enabling Act*. The new act provides for three possible regimes for the coordination of provincial and native taxing requirements on reserves:

- concurrent taxation, in which levies from both sources are combined and the rate of provincially authorized tax adjusted accordingly;
- independent band taxation, in which provincially authorized levies are replaced by service agreements on reserves affected by a native levy; and
- Indian district taxation (either concurrent or independent), in which a band, under some form of federal self-government legislation, is treated like a municipality for the purposes of receiving provincial benefits.

Bands are encouraged to choose from these options to achieve appropriate levels of integration with provincial structures and services. In anticipation of this legislation, bands agreed not to commence taxation in 1990.

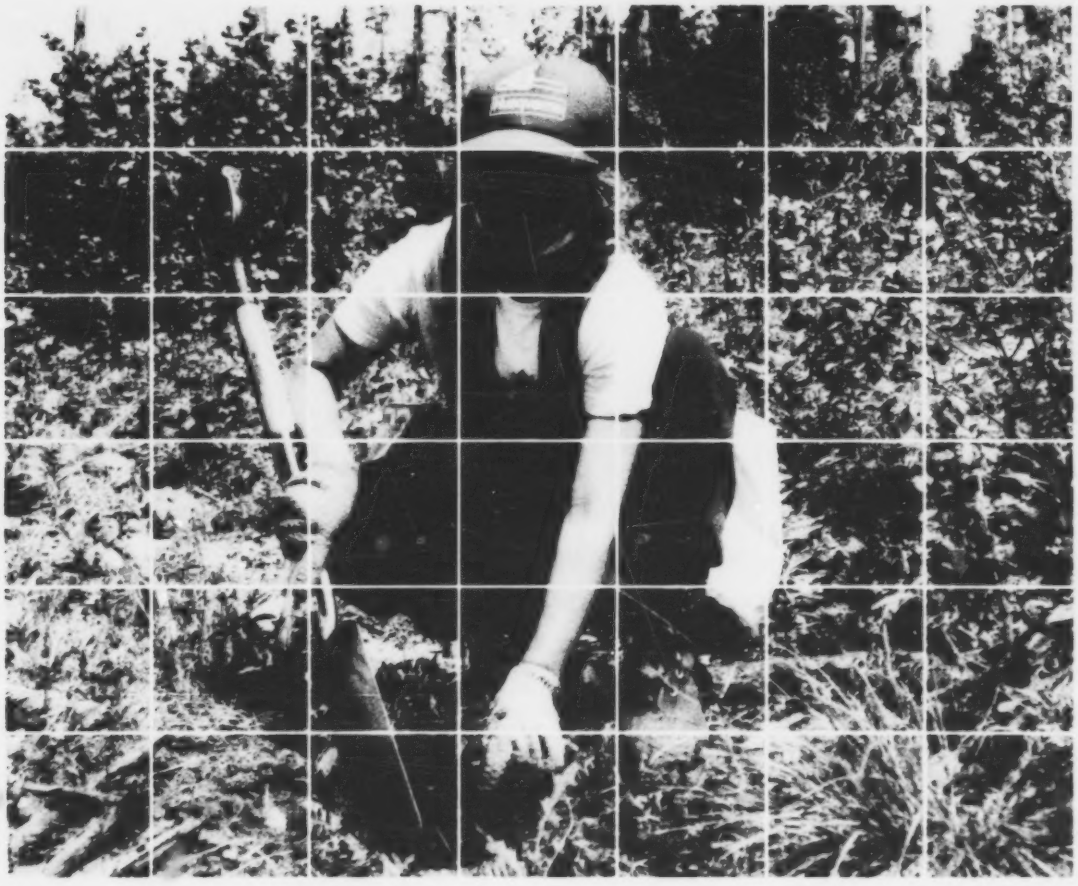
Claims of Aboriginal Title

As of June 1990, British Columbia courts have granted six injunctions prohibiting development of land for which native people are seeking declarations of aboriginal title. The injunctions will remain in place until appealed or until the question of aboriginal title is determined at trial. A decision by the British Columbia Supreme Court on the Gitksan-Wet'suwet'en claim to unextinguished aboriginal title to approximately 54,000 square kilometres of land is expected in 1990.

Land Claims Negotiations

In August 1990, the province agreed to enter into land claims negotiations with native organizations and the federal government. The province maintains that the federal government has sole financial responsibility for settling claims. The province established a Native Claims Registry, and in October 1990 entered into negotiations with the Nisga'a Tribal Council and the Government of Canada on the Nisga'a land claim.

Chapter 7
Major Provincial Programs



7: Major Provincial Programs

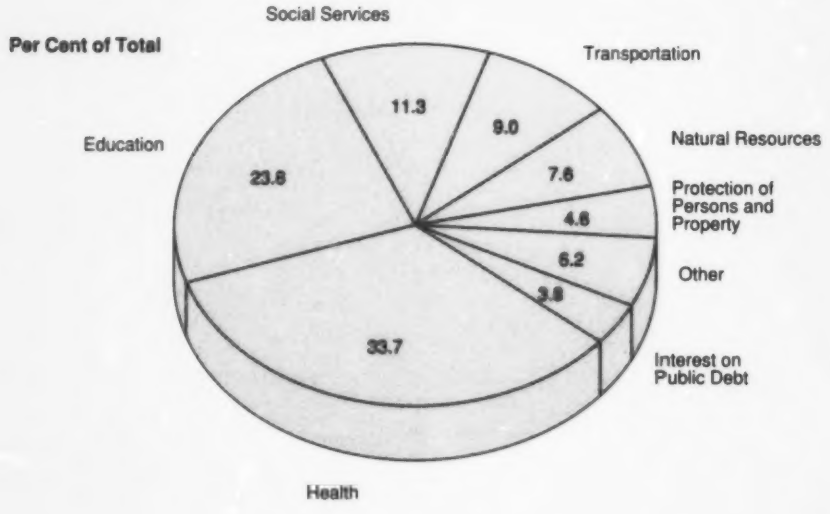
Introduction

The provincial government administers a wide range of programs that provide social services to British Columbians and encourage development and diversification of the province's economy.

Provincial social services include major programs for health, education, child protection, income assistance and housing. Other provincial programs safeguard human rights, provide law enforcement and protect the environment.

The provincial government's economic development programs promote stable and sustainable growth in the provincial economy as well as efficient management of the province's economic resources. These programs include government management of the province's extensive infrastructure, coordination of natural resource development and the provision of a variety of government services to business to enhance their competitiveness in the Canadian and international marketplaces. The provincial government also regulates the province's financial and commercial markets and provides services to consumers.

Chart 7.1 Expenditure by Function, 1989/90



Social Programs

Provincial government social programs form the basis for a caring and equitable society in British Columbia. These programs ensure that British Columbians in need have access to the necessities of life, while also enhancing the livelihood of all citizens by developing and maintaining a safe and stable society.

Health Programs

Total expenditure for the province's health programs during 1989/90 was $4.5 billion. This represents an average expenditure of $1,449 for each resident of the province. Spending by the provincial government to provide health services accounts for about one-third of total provincial spending.

Hospital Programs

The provincial government spent $2.1 billion on hospital programs during 1989/90. Operating funds of $2 billion supported 11,439 beds and 1,217 bassinets in the province's 97 acute care hospitals, 428 beds in four rehabilitation care hospitals, 7,765 beds in 92 extended care hospitals and units, and 16 diagnostic and treatment centres. An additional $97 million was allocated for hospital construction and renovation, and $41 million for equipment purchases.

During 1989/90, 433,000 acute/rehabilitation patients were admitted to the province's hospitals, with an average stay of 7.5 days. Acute care and rehabilitation patients and long-term care patients in acute care facilities received a total of 3.2 million days of care, while extended care patients received 2.3 million days of care.

Out-patient services included 184,000 day-surgery visits, 1.5 million emergency and short-stay surgery visits, 46,000 kidney dialysis visits, 121,000 psychiatric visits, and 630,000 physiotherapy visits.

Medical Services

The Medical Services Plan (MSP) offers comprehensive coverage of medical care and supplementary services provided by chiropractors, optometrists, physiotherapists, massage practitioners, podiatrists and naturopaths, and specific oral surgery procedures performed in hospitals. Over 98 per cent of British Columbians are covered by the MSP, while the federal government provides health care insurance under special statutes to other residents, such as Armed Forces personnel.

Medical Services Plan expenditures during 1989/90 amounted to $1.1 billion. Subscriber premiums funded approximately one half of this expenditure with the rest being funded out of general revenue. Premium assistance was also provided to lower income persons (see Appendix Table A7.1).

During 1989/90, MSP expenditures were distributed as follows:

- approximately $1.1 billion paid to physicians and surgeons, including $54 million for salary and sessional payments, and $11 million to the physicians' education and disability funds;
- $67 million paid to supplementary benefit practitioners; and
- $31 million for administration.

Continuing Care Program

The Continuing Care Program helps persons with long-term health problems who require supportive care. During 1989/90, the program spent $435 million for the following services:

- 16,700 beds in 363 long-term facilities, which provide residential care for physically and mentally-infirm adults;
- the Home Nursing Program, which provides comprehensive care by experienced registered nurses, assists patients of all ages to remain in their own homes during illness (over 36,000 admissions received a total of about 700,000 nursing visits);
- Home Support Services, which help disabled adults by providing personal assistance, housekeeping services and a specialized homemaker respite service. The respite service offers relief to family care-givers who provide 24-hour care for disabled family members (42,000 clients received help);
- the Community Physiotherapy Program, which admitted 6,842 clients who received 37,353 visits;
- the Adult Day Care Program, which provides personal assistance in a protective group setting for adults with physical and mental disabilities who do not require the full-time use of a facility; and
- Group Houses for the Handicapped, which help younger disabled persons reside in a community setting.

Pharmacare Program

The Pharmacare Program provides reimbursement for prescription drugs, eligible medical supplies and designated permanent prosthetic appliances. For the majority of British Columbians, 80 per cent of eligible expenditures in excess of $325 are reimbursed under the program. British Columbians aged 65 and over receive free prescription drugs, but are required to make a 75 per cent co-payment of drug dispensing fees up to an annual maximum of $125. Residents of licensed long-term care facilities and private hospitals, and eligible income assistance recipients receive program benefits at no personal cost. Expenditures for this program were approximately $215 million during 1989/90.

Community and Family Health Care

Community and Family Health Care includes mental health services, court-related psychiatric services, services to the disabled, and community and preventive health services. During 1989/90, $295 million was spent to provide these services.

Facilities providing mental health services include the Burnaby Psychiatric Service, the Greater Vancouver Mental Health Services Society, Riverview Hospital and 55 other health centres.

The Forensic Psychiatric Services Commission provides consulting and assessment services to the courts and treatment to mentally-disordered persons referred by court order. Facilities include: the Forensic Psychiatric Institute, a 151-bed secure facility; the 61-bed Maples Adolescent Treatment Centre; and a 9-bed in-patient assessment unit for youths requiring assessment under the *Young Offenders Act*.

The Services to the Handicapped Branch was established to develop community-based alternatives to institutional care for persons with severe disabilities. Emphasis is on community placement of persons with mental disabilities. The branch also funds Glendale Lodge, a 300-bed facility for individuals with mental disabilities.

The Preventive Services Program promotes lifestyle and health care practices that help eliminate or minimize illness and disease. It includes activities of the: public health nursing, fitness, nutrition, dental health, and speech and hearing branches of the Ministry of Health; health education and immunization programs; public health inspections, radiation protection services, government employee health services; and the British Columbia Centre for Disease Control. The centre coordinates health services for the control of sexually-transmitted diseases and tuberculosis, provides kidney dialysis services and manages provincial public health laboratories.

Alcohol and Drug Programs

In 1988, the Ministry of Labour and Consumer Services introduced the three-year TRY program to fight drug and alcohol abuse in the province. TRY, which stands for "The Responsibility is Yours", incorporates a four-tiered strategy of prevention, treatment, community initiatives, and evaluation and research.

During 1989/90, more than $49 million was spent on prevention and treatment programs. The number of funded agencies increased from 64, when the program began, to 171. Services are also provided for 22 corrections facilities.

Emergency Health Services

Emergency Health Services provide ambulance service and pre-hospital care through 796 full-time and 2,000 part-time attendants working from 389 ambulances and 17 support vehicles based in 163 communities. During 1989/90, there were over 303,000 ground ambulance trips and over 5,600 air ambulance flights. Emergency Health Services expenditure totalled $71 million in 1989/90.

Vital Statistics

The Vital Statistics Division of the Ministry of Health administers the *Vital Statistics Act*, *Marriage Act*, *Name Act*, and Part II of the *Wills Act*, in regard to the registration of vital events, issuance of marriage licences, appointment of marriage commissioners, registration of name changes and other services to the public. The division also maintains a Health Surveillance Registry of genetic birth defects and handicapping conditions, and operates a voluntary Adoption Reunion Registry under the *Adoption Act*. These services are provided at offices in Victoria and Vancouver and by a regional network of district registrars, marriage commissioners and issuers of marriage licences. During 1989, the division registered 44,000 births, 23,000 deaths, 25,000 marriages and 57,000 wills.

Education Programs

Provincial government expenditure for education programs during 1989/90 was almost $3.2 billion. Education programs in British Columbia are provided by two ministries: the Ministry of Education, which is responsible for primary and secondary education; and the Ministry of Advanced Education, Training and Technology, which is responsible for post-secondary education.

Public Schools

The British Columbia public school system encompasses all grades from kindergarten to grade 12, with free tuition. Public school attendance, or a satisfactory alternative, is compulsory for children between 6 and 15 years of age. The length of the school year is normally between 195 and 200 days.

There were 1,574 public schools in the province in the 1989/90 school year, including 1,137 elementary schools and 437 secondary and combination schools, with approximately 513,000 pupils.

The Ministry of Education funds the school system by setting a framework to ensure basic equality in school programs across the province. Direct administration is provided by locally-elected boards of trustees in the province's 75 school districts.

In January 1990, changes were made to the funding system to take effect in 1990/91. Based on a "block funding" concept recommended by the Royal Commission on Education, the province allocates an overall block of funds to public schools. The allocation to school districts varies depending on the unique features of each district. School boards that exceed the block allocated must seek local taxpayer approval through a local referendum for additional spending to be funded by increased property taxes.

During 1989/90, expenditure for public school education exceeded $2.6 billion or approximately $5,000 per pupil. Provincial government contributions totalled $2.2 billion, or about 78 per cent of total expenditure. School districts raised an additional $449 million (net of provincial government home owner grants) through residential property taxation.

Provincial contributions to public school education included the following:

- contributions to school district operating budgets of $1,392 million including the non-residential property tax levy;
- contributions of $170 million for the provincial share of interest and sinking fund charges for capital construction projects and equipment purchases;
- contributions on behalf of all school districts of $142 million for the employer's contributions to the Teachers' Pension Fund and the employer's portion of medical expenses for retired teachers;
- grants to homeowners of $342 million to reduce residential property taxes levied directly by school districts and other taxing authorities;
- grants to school districts totalling $7.2 million for special projects related to computer technology acquisition, teacher training and integration of computer technology into the school system; and
- Pacific Rim Initiatives funding of $4.7 million to provide for curriculum development, teacher training, and student and teacher exchanges.

Independent Schools

The provincial government also provided grants totalling $57 million during 1989/90 to 222 independent schools with approximately 31,000 pupils. These grants cover operating costs and costs associated with registering students schooled at home.

Universities

There are three publicly funded universities in British Columbia — the University of British Columbia in Vancouver; Simon Fraser University in Burnaby; and the University of Victoria in Victoria. These universities offer a wide range of courses in undergraduate, graduate and professional programs. They conduct basic and

applied research, and contribute to the cultural development of the province. Approximately 39,000 full-time and 19,000 part-time students are enrolled at these universities.

During the 1990 legislative session, an interim governing council was established to oversee preliminary development of a fourth university, the University of Northern British Columbia in Prince George.

In 1989/90, the provincial government contributed $443 million toward the British Columbia university system to fund operating expenses and capital debt servicing. About 80 per cent of university operating expenses is funded by the provincial government, 18 per cent through tuition fees and 2 per cent through other revenue sources.

In 1988/89, the six-year, $110-million University Matching Program was initiated. Private-sector donations to British Columbia's three universities are matched by the provincial government and are used to fund a variety of scholarships, bursaries, endowed chairs, research equipment and capital projects. This money is in addition to the general operating and capital grants the universities receive. In the first two years of the program, $30 million in provincial funds were allocated to the three universities with the University of British Columbia allotted 60 per cent, Simon Fraser University 18 per cent and the University of Victoria 22 per cent.

Most university research is supported by grants and contracts from government agencies, private foundations and industrial corporations. The three provincial universities attracted an estimated $98 million in external funding for research in 1988/89. The major research enterprises are TRIUMF, B.C. Research, PAPRICAN, Agriculture Canada, Microtel Pacific Research in Burnaby and the Bamfield Marine Station on Vancouver Island.

Colleges and Institutes

British Columbia also has an extensive colleges and institutes system providing academic, technical, vocational, career and adult basic education programs. The programs are administered through 15 community colleges and 3 institutes located throughout the province. During 1989/90, about 28,000 full-time and 42,000 part-time academic, career and technical students, and 76,000 full and part-time vocational students attended these centres.

In March 1989, the *Access For All* strategy was introduced to provide third and fourth-year academic programs at certain colleges and to provide funding for an additional 15,000 spaces in university-level programs. Full degree-granting status has been implemented at Cariboo College in Kamloops, Malaspina College in Nanaimo and Okanagan College in Kelowna in partnership with the provincial universities. Funding for the access program totalled $35 million in 1989/90.

During 1989/90, the provincial government provided $399 million in support of college and institute expenses and capital debt servicing, or approximately 75 per cent of total operating costs. The remaining requirements were met through tuition fees (14 per cent) and other revenues.

Distance Education

In 1987, British Columbia established the Open Learning Agency to coordinate distance education activities in the province. The agency is comprised of three components: the Open University, which collaborates with the province's three public universities to develop and deliver undergraduate and graduate courses; the Open College, which works with British Columbia's colleges and institutes to respond to needs for career, technical and vocational courses; and the Knowledge Network, which collaborates with the province's post-secondary institutions to telecast their courses and provides a variety of general interest and popular children's programs. Over 50,000 students are currently involved in distance education.

British Columbia has also placed a high priority on making distance education expertise available to other countries through initiatives such as the Commonwealth of Learning.

International Education

International education enhances the province's academic, cultural and economic links with the world and the Asia Pacific region in particular. Currently, British Columbia institutions are involved in over 100 international education contracts valued in excess of $60 million. In 1989/90, there were over 4,300 international students enrolled in provincial post-secondary institutions.

Student Assistance

Students attending post-secondary institutions are eligible for a variety of financial assistance programs depending on the student's merit and degree of need. During 1989/90, expenditure on student financial assistance was in excess of $50 million.

Student financial assistance in the form of grants and repayable loans, available from the federal and provincial governments, is administered by the Student Services Branch of the Ministry of Advanced Education, Training and Technology. Payments of up to $200 per week of study for a student without dependents and $300 per week of study for a student with dependent children are available. Upon successful completion of a program, the provincial government may repay, on behalf of an eligible student, any loans in excess of $12,000 for a first degree and $16,000 for a second or professional degree.

Other special assistance programs include forgivable loans for severely disabled students and support for persons undertaking adult basic education.

A number of scholarships are awarded for outstanding performance, such as the Premier's Excellence Awards of $5,000 for the top Grade 12 student in each college region who subsequently enrolls in a British Columbia post-secondary institution.

Social Services

The Ministry of Social Services and Housing helps British Columbians in need and assists them to regain or achieve self-sufficiency. The ministry also provides services for the mentally disabled and a variety of services through its child protection, income assistance and social housing programs.

Programs for Independence

Programs for Independence are mandated by the *Guaranteed Available Income for Need Act* (GAIN). These programs provide temporary assistance to eligible British Columbia residents between the ages of 19 and 64, who cannot provide the necessities of life for themselves and their dependents, and an assured minimum income for eligible disabled persons and senior citizens. In March 1990, assistance was provided to 125,744 individuals and 90,215 dependents. Total expenditure in 1989/90 was $884 million.

Family and Children's Services

The Ministry of Social Services and Housing provides services for families and children including adoption services, child protection, foster care and family support services. In 1989/90, expenditure totalled $143 million.

Rehabilitation and Support Services

In 1989/90, the Ministry of Social Services and Housing spent $197 million for rehabilitation and support services including residential care, self-help skills training, achievement centres, supported work placement and professional services for mentally disabled adults, subsidized and special-needs day care, infant development programs, senior citizen counsellors and the at-home program.

Under the Community Projects Funding Program, the ministry contributed $5.5 million to non-profit societies in communities that provide social services that complement ministry programs.

Expenditure for special programs for the mentally disabled, which includes the Woodlands institution, totalled $38 million.

Services for Seniors

The provincial government also provides a variety of programs for senior citizens that support and enhance their independence, well-being and health.

The Shelter Aid for Elderly Renters (SAFER) program provides direct cash assistance to citizens aged 60 and over who pay more than 30 per cent of their gross income in rent. The maximum allowable rent levels qualifying for assistance are $520 for a single person, $575 for a couple and $885 for those who share. Expenditure in 1989/90 was $10 million.

The Programs for Independence for Seniors Supplement provides a guaranteed minimum income to those seniors in receipt of the federal government's old age security, guaranteed income supplement and spousal allowance payments. There were 46,035 recipients as of March 1990, and expenditure in 1989/90 was $21 million.

The Bus Pass Program provides subsidized bus passes to aid and encourage the mobility of eligible low-income senior citizens and recipients of Programs for Independence handicapped benefits. Total program expenditure for 1989/90 was $7 million.

Housing and Land Development

A number of programs provide mortgage assistance and housing to senior citizens, families and disabled persons.

The British Columbia Home Mortgage Assistance Program (MAP) was introduced in June 1989, to replace the British Columbia Second Mortgage Program. MAP, which is designed primarily to assist first-time home buyers, provides a first mortgage guarantee of up to $12,000 to qualified purchasers of a home. During the program's first year, approximately 10,000 guarantees were issued for a total of $120 million. MAP is administered through the mortgage lending operations of major banks, credit unions and trust companies in the province.

Other programs include the Social Housing Program through which 1,905 units of non-profit social housing were committed under new federal-provincial housing agreements in 1989/90: 431 units for seniors, 946 for families, 421 for persons with disabilities and 107 special-purpose units. On-going provincial subsidies for these units, when completed, are estimated at $5 million per year.

The British Columbia Housing Management Commission is responsible for managing subsidized rental units and providing rent supplements for tenants of non-profit private sector housing units (see also Chapter 8).

The Social Housing Special Account provides for site acquisition for social housing projects plus the acquisition of Crown land for market rental housing projects.

The Crown Land Special Account provides recoverable financing for the acquisition, servicing and development of land for residential, recreational, agricultural and commercial purposes. The account also provides for non-recoverable expenditures for park land and operating costs in support of Crown land and residential land development programs.

Labour Programs and Services

The Ministry of Labour and Consumer Services provides various services which promote labour/management cooperation throughout the province. The Ministry of Advanced Education, Training and Technology develops and administers job training and employment programs that are designed to upgrade the skills of the provincial labour force.

Employment Standards

The Employment Standards Branch of the Ministry of Labour and Consumer Services enforces legislation pursuant to the *Employment Standards Act*, which regulates conditions of employment including hours of work, payment of wages, minimum wages, annual holidays, maternity benefits and terminations.

The program is delivered through 15 field offices throughout the province. The branch also provides investigation and mediation services through the Industrial Relations Adjudication Division, and investigation and other services through the British Columbia Council of Human Rights.

During 1989/90, the branch handled almost 17,000 complaints and recovered almost $5.9 million in unpaid wages, and vacation and severance pay on behalf of employees.

Industrial Relations Council

The Industrial Relations Council (IRC) was established in July 1987, under the *Industrial Relations Act*.

The Dispute Resolution Division assists parties involved in collective bargaining to settle contract disputes, monitors all labour disputes and designates essential services. During 1989, the chairman appointed mediators in 95 disputes covering 94 employers and 9,563 employees. Mediators were successful in reaching agreements in more than 96 per cent of these disputes.

The Industrial Relations Adjudication Division deals with legal issues involving bargaining rights, unfair labour practices, strikes and picketing. During 1989, the Adjudication Division received 3,876 new applications and disposed of 3,794 cases.

The commissioner of the Industrial Relations Council also monitors all labour disputes. The commissioner can: appoint a fact-finder; meet with disputing parties; appoint a Public Interest Inquiry Board; direct the Disputes Resolution Division to appoint a mediator; or, when the public interest is at stake, direct that a vote be taken on the employer's last offer.

New Pension Standards Legislation

In June 1990, new legislation was introduced in the form of an exposure bill that prescribes minimum standards for employment pension plans in the province, including vesting of workers' pensionable service after five years of continuous employment. The legislation is targeted to take effect January 1, 1993.

Safety Engineering Services

The Safety Engineering Services Division of the Ministry of Municipal Affairs, Recreation and Culture provides services to ensure safe living and working conditions. The services relate to the installation and operation of boiler and pressure vessels, elevators, amusement rides, and gas and electrical systems. Standards development, safety education and safety assurance activities are undertaken in conjunction with industry.

Workers' Compensation Board

The Workers' Compensation Board compensates injured workers for loss of earnings and medical expenses, and provides rehabilitation for disabling injuries. It also protects workers on the job by promoting accident prevention, industrial hygiene, first-aid regulation and inspection, and safety education programs. The board encourages cooperation between labour and management on accident prevention and industrial safety.

In 1989, new legislation was introduced appointing five worker and five employer representatives to a new Board of Governors. Under the new system, the governors will be responsible for setting policies on compensation, assessment, rehabilitation, and occupational safety and health.

Program costs are paid through assessments based on employers' payrolls. In 1989, income included $521 million in assessments paid by employers and investment income of $316 million. Expenditures totalled $410 million in workers' claims and $105 million in other costs. As a result, the board has fully funded its liabilities and was in a surplus position as of December 31, 1989.

The board also administers the *Criminal Injuries Compensation Act*, which compensates victims of any one of 50 criminal offences set out in the act and those injured while assisting police officers.

The Workers' Compensation Review Board is an independent appeal body, which reviews decisions of the Workers' Compensation Board at the request of workers, their dependents or employers. In 1989, 4,930 appeals were received by the review board.

Compensation Advisory Services

Workers' Advisers and Employers' Advisers assist workers and employers in their dealings with the Workers' Compensation Board. Workers' Advisers provide advice to injured workers and their dependents on policies and benefits of the Workers' Compensation Board, as well as assistance in cases involving complex legal and medical issues or important policy questions. Employers' Advisers provide independent advice, assistance and information to employers, potential employers and employers' associations with respect to workers' compensation legislation, decisions, appeals, policy and related matters.

Employment Training Programs

The Job Training Division of the Ministry of Advanced Education, Training and Technology is responsible for a variety of employment and training programs, including apprenticeship training programs, vocational rehabilitation services and private training institutions.

Employment and training programs assist employers to hire and train new and existing employees, and develop and implement long-range training strategies within their organizations.

Apprenticeship training programs provide counselling and consultative support to approximately 12,000 apprentices annually. In 1989/90, approximately 3,000 apprentices successfully completed their indenture period. In addition, approximately 7,000 tradesmen received trade certification or participated in upgrading and retraining programs.

The ministry is also responsible for the registration and monitoring of over 400 private training institutions in British Columbia. Over 50,000 students graduate from these institutions each year.

In 1989/90, the ministry established the Task Force on Employment and Training. The task force will provide recommendations on key short-term training and employment issues, and on long-term strategies that encourage adjustment,

increase employability and assist structurally unemployed workers. The final report of the task force, expected to be completed by December 31, 1990, will also address ways of involving industry and labour in advising government on issues and strategies concerning employment and training.

Vocational Rehabilitation

In 1989/90, approximately 1,400 disabled persons received employment-oriented training and other assistance through the vocational rehabilitation services of the Ministry of Advanced Education, Training and Technology.

Women's Programs

During 1989/90, a Minister Responsible for Women's Programs was appointed. Women's Programs coordinates all government initiatives specifically related to women and ensures that issues of concern to women are considered at the most senior levels of government. Women's Programs has a mandate to ensure that women are full and equal partners in the social, political and economic life of British Columbia. Responsibilities include: policy, planning and research; community programs; training and career development; advancement for women in the British Columbia public service; and communications and special projects.

Youth Advisory Council

The British Columbia Youth Advisory Council of the Ministry of Advanced Education, Training and Technology was established in 1985 to provide a direct link between young British Columbians and government. The council assists young people to achieve their full potential and to actively participate in the social, economic and public life of the province.

Major activities include: involvement with regional youth committees to ensure that the views of all young British Columbians are communicated to government; a $500,000 Youth Grants Program to stimulate projects which benefit youth; and special projects on issues of concern to youth.

Parks, Recreation and Sport

The Ministry of Parks administers and manages British Columbia's provincial parks system and ecological reserves. Under the *Park Act*, the ministry administers a provincial park system comprising 390 parks and recreation areas of more than 5.5 million hectares and offers to the public over 11,300 campsites, 115 boat ramps and 66,500 metres of developed beaches.

Under the *Ecological Reserves Act*, a total of 129 ecological reserves have been established, covering more than 157,600 hectares. These reserves are permanent sanctuaries established for scientific research and educational use, and the preservation and protection of British Columbia's unique plant and animal communities.

The province administers policies for the safe and responsible use of outdoor recreation resources, including regulations governing river rafting, boating, all-terrain vehicles and a program to recognize valuable recreation corridors, such as rivers and trails.

The Sport and Recreation Division of the Ministry of Municipal Affairs, Recreation and Culture provides financial assistance to promote physical fitness and participation in amateur sports. In 1989/90, $12.5 million was distributed in grants from the Physical Fitness and Amateur Sports Fund Special Account and the Lottery Fund Special Account for recreation and sport.

Cultural Services

In 1989/90, the Cultural Services Branch of the Ministry of Municipal Affairs, Recreation and Culture distributed nearly $12 million in grants from the British Columbia Cultural Fund Special Account and the Lottery Fund Special Account to cultural organizations throughout the province.

Library Services

In 1989/90, the Library Services Branch of the Ministry of Municipal Affairs, Recreation and Culture provided grants totalling approximately $7.2 million to municipal and regional public libraries, public library associations, reading centres and other library groups (see Chapter 5 for more information).

British Columbia Heritage Trust

The British Columbia Heritage Trust Fund was established in 1977 by the *Heritage Conservation Act*. In 1989/90, over $2.4 million was awarded from the Heritage Trust Fund for 135 projects.

Ombudsman

The *Ombudsman Act* provides for an independent officer of the legislative assembly to investigate complaints concerning provincial government ministries and certain other government agencies. During 1989, the Office of the Ombudsman received over 7,300 complaints, of which over half were fully investigated.

Native Affairs

The Ministry of Native Affairs develops and coordinates government policies and activities relating to native issues. In addition to acting as liaison with native groups, local communities and various levels of government, the ministry is also involved in negotiations of comprehensive land claims in British Columbia (see Chapter 6). Other programs include the: First Citizens' Fund; Heritage, Language and Culture Initiative; off-reserve Community Action and Awareness Program; and Premier's Council on Native Affairs.

Protection of People, Property and the Environment

The provincial government plays an active role in maintaining the superior quality of life available to British Columbians. Government activities include safeguarding human rights, coordinating law enforcement and the justice system, and designing and administering programs that protect the environment.

British Columbia Council of Human Rights

The British Columbia Council of Human Rights is responsible for administering and enforcing the *Human Rights Act*, proclaimed in September 1984. The five-member council receives, investigates and adjudicates allegations of discrimination and informs the public on how to use the council's services and how to avoid and prevent discrimination.

The council's educational program includes a curriculum unit used in high schools, speaking engagements at colleges and an on-going relationship with community groups.

During 1989/90, the council received 7,957 inquiries and 379 new complaints, held 49 hearings and gave 71 speeches outlining rights and responsibilities under the act.

Administration of Justice

The Ministry of Attorney General administers a justice system, which ensures protection of individual and public rights in an equitable, effective and efficient manner. During 1989/90, Ministry of Attorney General expenditure was $249 million.

Criminal Justice

The Criminal Justice Branch contributes to the protection of society by conducting prosecutions fairly and diligently. The branch is responsible for prosecuting offences under the *Criminal Code of Canada*, the *Young Offenders Act*, provincial statutes and certain municipal by-laws in the trial and appeal courts of British Columbia and in the Supreme Court of Canada.

Court Services

The Court Services Branch provides court facilities and services to all courts in British Columbia and informs the public on all matters relating to the courts. The branch files and processes all documents submitted to court registries and provides security and information necessary for the operation of all court hearings, including the official court verbatim record. It is also the branch's responsibility to carry out and enforce court orders, escort prisoners and serve court documents. There are 75 staffed court locations throughout the province, with travelling courts servicing 20 small communities.

Legal Services

The Legal Services Branch provides legal services relating to civil matters to all government ministries, the Securities Commission and the Financial Institutions Commission. The branch advises government and other agencies on legal matters; prepares legislation, regulations and orders in council; drafts government contracts; and conducts civil and constitutional lawsuits on behalf of government.

Justice Support Programs

The Family Maintenance Enforcement Program administered by the Ministry of Attorney General works on behalf of families seeking enforcement of court-ordered family maintenance payments.

The Victim Assistance Program provides victims of crime with information and the practical support they need to deal with the justice process and cope with the impact of the crime. The program also directs victims to services available in their communities.

The Public Trustee has statutory responsibility for the protection of the financial, personal and legal interests of persons who are mentally disordered, who are under 19 and wards of the state or without legal guardian, or who die intestate. To carry out these responsibilities, the Public Trustee acts as trustee, monitors private sector trustees, reviews settlements on behalf of minors, administers estates and investigates complaints of financial exploitation.

Land Registry

The six land title offices of the Ministry of Attorney General maintain records of all transactions in real property and issue certificates of title for each parcel of land. Each office has a registrar responsible for correctly interpreting the *Land Title Act* and all applicable statutes to ensure that security of title is maintained at all times.

Legal Services Society

The Legal Services Society provides legal assistance to individuals who apply and qualify for legal aid. Legal information, education and services for natives are also provided. The society is funded by the federal and provincial governments and the Law Foundation.

Law Courts Education Program

The Law Courts Education Program develops and publishes school curriculum and information leaflets on the structure and operation of British Columbia's court system. It also organizes court visits, meetings with judges, professional development for teachers and coordinates annual Law Day activities.

Expropriation Compensation Board

Under the *Expropriation Compensation Act*, the board determines the amount of money paid for expropriated land when a public agency, such as the provincial government, needs to acquire property that an owner does not want to sell.

Law Reform Commission

The Law Reform Commission reviews provincial laws and recommends improvements to the legal system to better serve British Columbians. The commission works to repeal unnecessary legislation, eliminate irregularities, reduce the number of separate statutes, and simplify and modernize the law.

Law Enforcement and Public Safety

The Ministry of Solicitor General is responsible for law enforcement and issues of public safety, including police, corrections and a variety of regulatory, inspection and emergency services. During 1989/90, Ministry of Solicitor General expenditure was $334 million.

Police Services

The Police Services Branch provides services to help protect life and property and to reduce crime. The branch is responsible for municipal police training at the Police Academy of the Justice Institute of British Columbia, while the British Columbia Police Commission monitors and audits the operation of 12 independent local police forces. The branch is also responsible for firearms control and for the Provincial Emergency Program.

The Coordinated Law Enforcement Unit is a section within the branch which coordinates activities of police and other agencies to suppress organized crime. Through its joint forces operations, it attempts to identify and apprehend organized and major criminals through focused, long-term investigations.

Corrections

The Corrections Branch operates 13 correctional facilities for certain accused or convicted youths and 25 facilities for adults serving sentences of up to two years. The branch is also responsible for family court counselling, administration of community service orders, and youth and adult probation.

Motor Vehicle Department

The Motor Vehicle Department is responsible for regulating drivers, vehicles and motor carriers operating within the province to ensure safety on all roads and compliance with provincial and federal legislation. Over six million motor vehicle transactions are carried out by the branch annually.

Justice Institute

The Justice Institute of British Columbia is a post-secondary training institution for people employed in fire protection, law enforcement, corrections services, emergency health and public safety. The institute offers programs to professionals and the general public on justice-related topics.

British Columbia Gaming Commission

The British Columbia Gaming Commission sets policy for gaming within the province. The commission establishes terms and conditions for licences issued to charities that use bingos, ticket raffles or casino events to raise funds and acts as the licensing authority for such charitable events.

Other Regulatory and Service Industries

The Ministry of Solicitor General is also responsible for other regulatory and service agencies such as: the British Columbia Board of Parole, which decides on the conditional release of inmates; the British Columbia Coroners Service, which investigates sudden and unexpected deaths; the British Columbia Racing Commission, which regulates horse racing in the province; and the Commercial Appeals Commission, which hears appeals under a number of provincial licensing matters.

Environment Programs

During 1989/90, the Ministry of Environment was re-established to reflect the greater emphasis placed on environmental concerns of the province. The ministry is responsible for the protection, restoration and enhancement of British Columbia's natural ecosystems and human environments. Ministry programs are carried out through regional centres across the province. During 1989/90, ministry expenditure totalled $115 million.

Environmental Protection

The Environmental Protection Division is responsible for protecting the environment from pollutants and administering a number of programs to encourage environmentally safe and efficient management of wastes. These programs include the establishment, monitoring and enforcement of standards for discharges to air, land, or water from industrial, community and individual sources. Local governments may receive financial assistance for sewage treatment through the Ministry of Environment and the Ministry of Municipal Affairs, Recreation and Culture.

A municipal solid waste management strategy is being developed in partnership with local governments and industry. The strategy aims to halve the amount of garbage going to landfills through waste reduction, recovery and recycling. By December 31, 1995, all regional districts are required to prepare solid waste management plans, including a strategy for local control of bio-medical waste.

The Hazardous Waste Corporation has recently been established to develop a comprehensive hazardous waste management system in the province (see also Chapter 8).

Pesticide Control

The Pesticide Control Branch is responsible for developing, promoting and regulating pest control practises in the province to protect human health and maintain environmental quality.

Environmental Enforcement

The Enforcement and Outdoor Recreational Safety Program enforces federal and provincial environmental laws and regulations, and is responsible for controlling nuisance wildlife.

Wildlife Management

The Wildlife Branch regulates recreational and commercial use of wildlife, and is responsible for the protection and enhancement of habitat, public information and education.

The branch administers the Habitat Conservation Fund Special Account for the enhancement and acquisition of important fish and wildlife habitats. In 1989/90, it funded 120 projects throughout the province at a cost of $4.5 million. Most of the revenue of the fund comes from a surcharge on hunting, guiding, trapping and fishing licences, and public donations.

The branch also administers the Public Conservation Assistance Fund. As partners in the fund, the Ministry of Environment and Wildlife Habitat Canada each provide grants of up to $50,000 annually. These grants provide for the capital costs of conservation projects initiated by non-profit clubs, organizations and individuals. Applicants must contribute an amount equal to or greater than the amount of the grant and at least half of the work must be done by volunteer labour.

Recreation Fisheries

The Recreation Fisheries Program facilitates healthy and abundant fresh-water fish populations through: conservation of wild fish stocks and protection and enhancement of natural spawning and rearing habitats; production of hatchery fish to restock lakes and streams; and management of angler demand through regulations, licensing, and public information and education.

Water Management

The Water Management Branch manages the province's freshwater resources. Its responsibilities include water licensing, maintaining information on ground water resources, regulation of water utilities, dam safety, snow surveys, flood forecasting, floodplain development control, river protection projects, dyke inspection, resource inventory, water supply, aquatic weed control and water quality protection. In 1989/90, project funding included $5 million for Fraser River flood control, river protection assistance and flood plain studies.

Environmental Emergencies

The Environmental Emergency Services Branch coordinates emergency planning, and preparedness and response activities within the ministry. The branch handles environmental emergency calls and notifies regional response staff, the Provincial Emergency Program and Environment Canada. The branch prepares response plans for marine oil spills, flooding, industrial accidents, toxic chemical spills and the secondary effects of earthquakes. As well as providing training and equipment, the branch is involved with major international agreements regarding oil spill prevention and response.

Government Action to Address Environmental Problems: A Balanced Approach

Introduction

Helping find and encourage solutions to environmental problems represents a key challenge to all governments. This challenge is particularly important in British Columbia where provincial economic prosperity depends on a healthy environment and a continuing supply of natural resources.

Environmental problems involve a complex interrelationship among ecological, institutional, social and economic forces. They generally fall into two categories:

Pollution problems relating to human and industrial waste (toxic, liquid and solid) and environmental disasters such as oil spills.

Resource management problems relating to the allocation and use of natural resources. Examples include harvest of forests (methods and sustainable yield), conservation of natural areas, and resource use conflicts associated with industrial development.

Tools Available to Address Environmental Problems

There are four tools available to governments to address environmental challenges: *spending* money on programs such as research, reforestation, new technologies, sewers and water treatment; setting *regulations* to enforce pollution and resource-use standards and to set aside park lands and ecological reserves; establishing *institutions* and resource-management policies that will promote sustainable development and consultation among resource users; and pricing by levying charges on polluters to create a market incentive for producers and consumers to make environmentally-conscious choices.

Measures taken in British Columbia and other jurisdictions have traditionally followed the spending and regulation approaches. The traditional approach has several weaknesses:

- regulations are difficult and costly to enforce;
- it is not clear that regulation and enforcement is the most efficient way to influence polluters to pollute less and thus achieve a cleaner, sustainable environment; and
- it does not promote consensus among the divergent views and needs of local communities, industry and environmental groups.

Major Government Action

Government response to environmental problems in British Columbia now uses a combination of the four tools outlined above. Over the past two years, the government has implemented a broad range of environmental initiatives that both strengthen the traditional approaches and introduce institutional and economic measures to encourage a clean and sustainable environment.

Spending

The government has increased funding for sewer and water grants to local government. Since 1983, over $845 million has been committed to this program.

Waste Management

The government has set a goal to reduce municipal solid waste by 50 per cent by the year 2000. The British Columbia Hazardous Waste Management Corporation was established to develop a strategy for the disposal and reduction of hazardous wastes, and funding was provided for new technologies for collecting, treating and disposing of municipal waste. As well, the province and the mining industry have established research chairs at the University of British Columbia to undertake research to minimize the environmental impact of acid drainage, and control and treat wastewater of forest product processing.

The Purchasing Commission, the central procurement agency for the provincial government, has introduced initiatives such as: paper recycling; purchasing recycled paper; using rerefined oil; reducing excess packaging and paper consumption; and encouraging the use of energy-efficient appliances and lighting.

Protection and Preservation

Over the past five years, the province has acquired 6,000 hectares of fish and wildlife habitat and over 785,000 hectares of park land. It has increased spending for developing, monitoring and enforcing standards, and mitigating threats from oil spills. The Environmental Youth Corps is trained to respond to environmental crises, and to undertake improvement projects for nature habitats, parks and public areas.

Resource Management

Funding for integrated resource management has increased for initiatives such as monitoring and assessing the impact of development on fish and wildlife and their habitats, and upgrading the provincial wildlife inventory.

Over 230 million seedlings were planted in 1989, up 21 per cent from 1988. During the five-year federal-provincial Forest Resource Development Agreement, unsatisfactorily reforested areas were reduced 42 per cent, while seedling quality and site preparation improved and survival rates increased from 72 per cent in 1984 to 84 per cent in 1989.

Regulations

The government has strengthened environmental legislation and regulations and has increased penalties for polluters. Regional Environmental Enforcement Units were set up to deal with major waste, water and pesticide violations.

Institutional Structures

The Cabinet Committee on Sustainable Development, co-chaired by the Ministers of Environment and of Regional and Economic Development, was established to promote environmentally-sensitive growth based on policies that ensure a clean environment and renew British Columbia's natural resources. As well, the Round Table on Environment and Economy and the Forest Resources Commission help government shape resource-use policies and develop sustainable development priorities.

The Sustainable Environment Fund Special Account was established to provide dedicated funding for environmental initiatives and for the ongoing renewal of provincial forests. The fund is managed by the Cabinet Committee on Sustainable Development because environmental problems are complex and require a cross-government response.

Pricing

As part of an overall government approach to encourage a sustainable environment, the 1990 budget introduced new economic incentives. These include:

- removal of Social Service Tax (sales tax) exemption from disposable diapers;
- introduction of sales tax exemption for agricultural use of biological control agents;
- introduction of disposal levy of $3 on new vehicle tires;
- introduction of disposal levy of $5 on new lead-acid batteries; and
- significant increases to pollution discharge fees.

These incentives address well documented environmental problems. Raising prices will create incentives for polluters to reduce pollution to reduce their costs and for consumers to decrease their use of environmentally-damaging products. Resulting revenues are dedicated to environmental programs.

While these measures do not affect all po'luting activities, the government intends to introduce further economic incentives, where feasible, to protect the environment.

Conclusion

Effective government response to environmental problems requires a balanced use of government regulation, selective spending, market-based incentives and institutional restructuring. However, solutions to environmental problems also require a commitment on the part of individuals and industry to modify activities that have a negative impact on the environment.

Government cannot dictate what products industry should produce or how it should produce them, nor can it dictate individual consumption habits. However, government can use a variety of tools to encourage individuals and industry to achieve the goal of a sustainable environment capable of permitting continued growth.

The proper balance is one where, to the extent possible, government creates the appropriate incentives, establishes and enforces environmental standards, and permits the marketplace - consumers and industry - the freedom to achieve environmental objectives in the most efficient manner.

Economic Development Programs

The provincial government administers numerous services and programs to support economic growth and diversification in all regions of British Columbia. One of the government's major contributions to the provincial economy is an extensive transportation and communications network which supports a dynamic economy. Chapter 5 outlines British Columbia's economic infrastructure.

The government also encourages the efficient and environmentally-sensitive management of the province's abundant natural resources. These programs are complemented by a wide array of information and advisory services, designed to encourage regional small business and industrial development, and increase British Columbia's competitiveness in domestic and overseas markets.

Business and Industrial Development Programs

The Ministry of Regional and Economic Development is responsible for promoting regional and industrial development in British Columbia through a variety of programs and projects as outlined in Table 7.1.

Table 7.1 Financial Incentives for Regional and Economic Development

The provincial government funds and administers a wide range of economic development programs that provide financial incentives directed toward strengthening and diversifying all regions of the provincial economy.

Program or Service	Purpose	Form of Assistance	Program Administrator
Research/Development:			
Technology Assistance Program	To assist companies engaged in manufacturing, processing and service industries to increase productivity, develop new products and improve profitability. Projects are science/engineering-oriented and involve technology research.	Up to 50% of the costs incurred to a maximum level of support of $20,000.	Ministry of Advanced Education, Training and Technology
Science and Technology Fund	To promote science and technology initiatives.	Conditional grants and general assistance for applied research and development.	Ministry of Advanced Education, Training and Technology
Discovery Enterprises Inc.	To provide early-stage financial assistance to medium to high-risk advanced technology endeavours with a major British Columbia component.	Provides venture capital and takes an equity position in advanced technology companies.	Ministry of Advanced Education, Training and Technology
Training/Management Development:			
Assistance to Associations Program	To aid business, trade and industry associations in providing management development opportunities to members.	50% of costs up to maximum of $2,500 per year.	Ministry of Regional and Economic Development
Training Investment Program	To assist employers to develop human resources through training programs.	Up to 60% of direct training costs to a maximum of $50,000. Up to $3,000 for worksite modification to facilitate the employment and training of disabled persons or women entering non-traditional occupations.	Ministry of Advanced Education, Training and Technology

Table 7.1 Financial Incentives for Regional and Economic Development — *Continued*

Program or Service	Purpose	Form of Assistance	Program Administrator
Business Assistance:			
Small Business Venture Capital Program	To encourage private sector investment in economic sectors (e.g., manufacturing and processing, research and development, tourist resorts, aquaculture) which lead to increased exports or import replacement.	Tax credits equal to 30% of investment in a venture capital corporation to a maximum of $60,000.	Ministry of Regional and Economic Development
Business Expansion Program	To encourage the establishment, modernization and expansion of firms engaged in manufacturing, value-added processing and new product introduction.	Loans of up to 50% of eligible project costs (normally would not exceed 30% within Greater Vancouver) for a term not normally exceeding 5 years. The eligible costs of the project must total not less than $2 million. Loan guarantees for up to 85% of eligible project costs (75% within Greater Vancouver). The minimum size of loan guarantee is $100,000.	Ministry of Regional and Economic Development
Business Start Up Program	To encourage and support new small business formation throughout British Columbia.	Loan guarantees of 100% of the loan amount to a maximum of $15,000 based on the applicant making a cash equity contribution equal to at least 50% of the loan (100% in the City of Vancouver) at the time of loan approval.	Ministry of Regional and Economic Development
Small Business Assistance Program	To encourage the establishment, expansion and modernization of small and medium-sized businesses in the province.	Low-interest loans of up to 50% of eligible capital costs to a maximum of $500,000 for a term of up to 5 years. Outside Greater Vancouver the first $100,000 of the loan is interest free. Loan guarantees for working capital of up to 85% of eligible project costs (75% within Greater Vancouver) to a maximum of $100,000 for a term of up to 5 years.	Ministry of Regional and Economic Development
Employee Investment Program	To facilitate direct investment by employees in their employer's company and to establish a pool of employee-controlled capital for indirect investment in small to medium-sized companies.	20% federal income tax credit to a maximum of $700 per year and 20% provincial tax credit to a maximum of $2,000 per year for employee investors. Half the cost associated with setting up an Employee Share Ownership Plan or an Employee Venture Capital Corporation to a maximum of $10,000 each for employee groups and companies.	Ministry of Regional and Economic Development
Export Assistance:			
Export Loan Guarantee	To assist exporters to obtain pre-shipment financing for export-oriented contracts.	Loan guarantees of up to 85% to a maximum of $2.5 million per company for up to 3 years.	British Columbia Trade Development Corporation
New Market Development Program	To assist businesses with market development trips outside B.C., incoming visits to B.C., and participation in trade shows outside B.C.	Financial assistance to a maximum initial amount of $2,000 is made available on a 50/50 cost shared basis, repayable if the company is successful in making sales.	British Columbia Trade Development Corporation

Economic and Regional Development Agreement

The 10-year Canada-British Columbia Economic and Regional Development Agreement (ERDA), signed in November 1984, provides a framework for closer economic cooperation and coordination with the federal government by means of specific sub-agreements. Eight subsidiary agreements were signed under the first phase of ERDA, representing a joint commitment by the federal and provincial governments to invest almost $600 million over five years in key sectors of the British Columbia economy, including forestry, industrial development, agriculture, science and technology, minerals development, small business and the tourism industry. On March 31, 1990, seven of these subsidiary agreements expired in terms of project approvals although disbursements will continue. The subsidiary agreement relating to agriculture is set to expire in October 1990. Negotiations for a second phase of ERDA Sub-Agreements are underway between the federal and provincial governments.

In April 1990, three new provincial business assistance programs were introduced to replace the expired ERDA business programs and to streamline existing provincial programs (see Table 7.1).

Programs under the $125-million Industrial Development Sub-Agreement were designed to improve the competitiveness of the resource sector, aid diversification of the province's industrial base and encourage the use of advanced technology. The $50-million Small Business Incentives Sub-Agreement provided financial incentives to small and medium-sized manufacturers, processors, advanced technology companies and commercial aquaculture enterprises.

Since 1985, commitments under the Industrial Development Sub-Agreement and the Small Business Incentives Sub-Agreement have totalled $119 million and are expected to generate $482 million in additional investment (see Table 7.2).

Ho ıe Based Business

The Home Based Business Program provides assistance in the form of workshops, manuals and videos to entrepreneurs involved in starting or operating a home-based business. The program provided over 160 seminars and workshops, attended by a total of 3,000 individuals, in communities throughout the province in 1989/90.

Table 7.2 ERDA Industrial, Small Business and Tourism Projects, 1985 to 1990

Sub-agreement	Funds Approved	Number of Projects Approved	Estimated Number of Jobs Created	Additional Investment Generated
	($ millions)			($ millions)
Industrial development	93	77	2,971	425
Small business development	26	331	4,751	57
Tourism industry development	29	198	3,584[1]	127
Total	148	606	11,306	609

[1] Relates to product development part of sub-agreement only; jobs created by market development and industry support are difficult to measure.

Small Business Venture Capital Program

The Small Business Venture Capital Program, introduced in 1985, stimulates investment in small businesses in key growth industries. Investors in venture capital corporations receive tax credits equal to 30 per cent of their investment to a maximum of $60,000.

At March 31, 1990, 154 venture capital corporations were approved and had raised $70 million in new equity capital. These corporations have in turn invested in 99 small businesses, creating or preserving an estimated 1,500 jobs.

Employee Investment Program

The *Employee Investment Act* encourages employee investment in British Columbia businesses. Employee Share Ownership Plans assist employees to invest directly in the company for which they work. Employee Venture Capital Corporations allow indirect investment in eligible businesses by pooling investment funds of employee groups and labour organizations. By March 31, 1990, five companies, representing 500 employees, had registered plans and were authorized to raise $8 million by the end of 1990/91.

Community and Regional Economic Development

The Community Organizations for Economic Development Program (COED) has two program elements. The $1.4 million Committees Incentives element helps meet operating and overhead costs of 43 full-time and 23 volunteer local economic development committees. The Special Incentives element helps fund projects that vary from detailed economic development research on specific industries to promotional tools used to attract new business. In 1989/90, more than $850,000 was approved for special projects.

Business Information Centres

During 1989, the Business Information Centre in Vancouver and local Business Information Centres at Chambers of Commerce answered 200,000 requests for information and assistance from British Columbia businesses. The centres provide comprehensive advice and information on international and domestic opportunities through the "B.C. Business Network" computerized information system, the "SupplyNet" government procurement network and the "VentureNet", which matches business opportunities with investors.

Science and Technology

The Science and Technology Division of the Ministry of Advanced Education, Training and Technology provides leadership, coordination and funding to enhance the scientific and technological capability of the province. The division provides programs and direction in research and development, public awareness of science and technology, human resource development and the building of a physical and institutional infrastructure. In 1989/90, the division made available over $22 million for the enhancement of science and technology in these four areas.

In April 1990, the Science and Technology Fund was initiated to provide significant long-term benefits for the province and to further establish British Columbia as a national leader in science and technology. Through the fund, the province is committed to spend $420 million on science and technology over the next five years, including $300 million in new funds. The fund consolidates the ministry's science and technology programs under one umbrella and provides funding for new provincial science and technology activities.

Purchasing Commission

The Purchasing Commission is the central procurement agency for the provincial government and purchases approximately $550 million of goods and services annually. The commission helps develop economic opportunities in the province through an aggressive supplier development program and by regional sourcing.

Forest Management

British Columbia's forest lands support more than eight billion cubic metres of mature timber. More than 97 per cent is coniferous (softwood) and British Columbia has approximately one-half of Canada's softwood forests. The major coastal species is hemlock and the major interior species are spruce and lodgepole pine.

The provincial government owns more than 90 per cent of the province's forest land. For management purposes, the forest resource is divided into management units known as timber supply areas and tree farm licences. Timber harvesting in timber supply areas is delegated to private operators under a variety of licensing agreements, while harvesting in tree farm licences is primarily the responsibility of the tree farm holder. Forest management responsibilities in timber supply areas are shared between the Ministry of Forests and private operators, while in tree farm licences, forest management is the responsibility of private operators.

The programs of the Ministry of Forests are designed to manage and protect the province's forest, range and forest-based recreation resources for the benefit of all British Columbians. Provincial forest policy is based on the principles of resource stewardship (assuring continuity of the value and productivity of the forest land base) and integrated resource management (addressing the wide variety of potential uses of all forest and range resources).

Forest Resources Commission

In June 1989, the Forest Resources Commission was established to address concerns about forest management in British Columbia. This permanent commission has full powers of inquiry and will be able to address a broad range of topics. The commission held public hearings throughout the province and submitted its preliminary report in September 1990, and is expected to submit its first detailed report in early 1991.

Small Business Forest Enterprise Program

The Ministry of Forest's Small Business Forest Enterprise Program (SBFEP) is intended to secure a fair return to the province for its timber and to create a more competitive and diversified industry by encouraging an expanded role for small businesses in the province's forest sector.

All revenues collected from timber sales under the SBFEP go into the Small Business Forest Enterprise Special Account. The Ministry of Forests, which manages the SBFEP, draws money from the account to construct access roads and bridges to allow future sales and to undertake silviculture and other forest management activities in small business sales areas.

Revenues in excess of funds required for current expenditures and future silviculture obligations are returned on an annual basis to the general revenue of the government. In 1989/90, expenditures in SBFEP were $58 million and revenues were $147 million.

Harvesting

The Harvesting Program administers timber harvests on Crown and regulated forest land under a variety of forest tenures. The program is responsible for collecting revenues for Crown timber and maintaining and managing the forest service's road network. The program also encourages industry to make the most efficient use of the timber available for harvesting, so that world market demands and emerging market opportunities are realized.

Reforestation and Silviculture

The Silviculture Program sets and monitors standards of reforestation on Crown and regulated private forest lands; reforests certain types of denuded Crown forest land with commercially-valuable trees; improves the value and productivity of the provincial forest resource; and provides tree seed and seedlings. During 1989/90, $215 million was spent on silviculture. An estimated 235 million trees were planted on 195,235 hectares of forest land, an increase of 18.3 per cent and 15.5 per cent, respectively.

During 1989/90, the fifth and final year of the federal-provincial Forest Resource Development Subsidiary Agreement, $66 million was spent on reforestation, intensive silviculture and forestry research. This amount includes the costs of growing seedlings, site preparation and planting, brushing and intensive silviculture activities, such as juvenile spacing and fertilization. Under the agreement, the $300 million cost was shared equally between the federal and provincial governments. Negotiations for a renewed agreement are currently underway. Pending the outcome of these negotiations, the province has initiated a Forest Renewal Incentives Program which continues the backlog reforestation, intensive silviculture and forestry research projects initiated under the agreement.

Table 7.3 Silviculture Funding in British Columbia

	Ministry Operations Vote	Section 88[1]	Small Business Enterprise Account	Forest Resource Development Agreement[2]	Forest Stand Management Fund	Total	Change
			($ millions)				(per cent)
1985/86	57.6	50.1	3.3	25.4	—	136.4	23.2
1986/87	56.2	65.7	7.0	38.8	15.4[3]	183.1	34.2
1987/88	52.6	82.9	9.1	66.1	18.8	229.5	25.3
1988/89	134.1	—	2.8	65.5	2.0	204.4	(10.9)
1989/90	134.7	—	10.3	65.6	4.5	215.1	5.2

[1] Stumpage offsets under section 88 of the *Forest Act* are credits against stumpage levies payable to the government by forest companies. Companies can earn credits by undertaking specific silviculture or engineering activities. Effective April 1, 1988, no further claims were permitted under this section.
[2] Includes federal funding under the agreement.
[3] Includes funding of $3 million from the Ministry of Advanced Education, Training and Technology for the Forest JobTrac Program.

Forest Protection and Fire Suppression

The Forest Protection Program reduces damage to forest and range resources by wildlife, insects and diseases. Protection of life and property is especially important in wildlife/urban interface areas. Preservation of other diverse environmental values is also provided through the program. Expenditure in 1989/90 was approximately $17 million.

The Fire Suppression Program provides fire fighting services for the control of wildfires. The program is linked closely to and supported by the Forest Protection Program, but is managed and funded separately. In 1989/90, 3,520 fires burned 25,381 hectares of land. Fire suppression expenditure in 1989/90 was $66 million compared to $53 million in 1988/89.

Mineral Resource Management Programs

The Ministry of Energy, Mines and Petroleum Resources regulates the energy and mineral industries, and ensures the orderly development of these resources. The ministry's responsibilities include mine worker safety; mine reclamation practices; administration of laws relating to mineral, oil and gas tenures; and economic, geological, statistical and financial studies.

Mineral Development Agreement

The Canada-British Columbia Mineral Development Sub-Agreement (MDA) expired on March 31, 1990. The five-year agreement funded mineral sector studies of geology, infrastructure, markets and technology development. It improved the understanding of the province's geology and mineral potential and directly led to increased mineral exploration expenditures by the private sector. Technology improvements developed with MDA funding increased the productivity and safety of British Columbia mines and reduced the environmental impact of mining. The program was an important catalyst in ensuring the sustainability of the province's mining industry for future generations.

Energy Policy

During 1989/90, energy policy initiatives continued to focus on deregulation and an expanded role for the private sector. A Core Market Policy guaranteeing secure natural gas at reasonable prices for commercial and residential customers and a simplified gas royalty regime were adopted. A review of energy removal procedures and devolution of the British Columbia Petroleum Corporation's marketing functions to the private sector were initiated. British Columbia Hydro and Power Authority (B.C. Hydro) implemented programs aimed at encouraging independent power production (see also Chapter 8).

Construction began in early 1990 on the Vancouver Island natural gas pipeline, which will serve the Sunshine Coast from Squamish to Powell River and Vancouver Island from Campbell River to Victoria. The pipeline will reduce space heating costs for domestic and industrial consumers; increase gas sales from northeastern British Columbia by 10 to 15 per cent; reduce air pollution in affected areas; and reduce barge traffic in the Strait of Georgia. The pipeline is expected to provide 6,400 person-years of construction employment and 200 permanent jobs in the province.

The downstream power benefits resulting from the Columbia River Treaty, which represent an environmentally-clean, low-cost resource for British Columbia, will be repatriated as they become available starting in 1998.

In 1990, the province introduced an *Energy Conservation Act*, which sets minimum efficiency standards in new construction and for a range of energy-using devices. Improved conservation and efficiency in electricity use will delay the need for major generation and transmission projects.

In late 1989, B.C. Hydro filed an application with the British Columbia Utilities Commission for rate increases over the next three years. The proposed rates represent a change in pricing policy, from one based on historical costs to one based on the cost of new supply, and were designed to encourage conservation and efficiency. In April 1990, the decision reached by the commission provided for rate increases of 3 per cent retroactively and 1.5 per cent for each of the subsequent two years.

As a return on public investments and resources, B.C. Hydro is required to pay dividends to the province based on the authority's current financial position. A portion of surplus revenue will continue to go towards debt repayment. Dividend payments will decline when construction costs of new generation projects begin to increase.

Agriculture, Fish and Food Programs

The Ministry of Agriculture and Fisheries administers programs that are designed to assist both producers and processors of agricultural and fish products. The programs emphasize farm income and price stability, productivity improvement and resource conservation.

Income and Price Stabilization

The Farm Income Insurance Program is a voluntary program that provides insurance to reduce farm income losses caused by detrimental market forces. It is jointly funded by producers and government. In 1989/90, the province contributed $17 million to the program. Claims paid for the same period totalled $34 million, with most of the payments made to tree fruit growers and beef producers.

The Crop Insurance Program stabilizes farm income by minimizing the detrimental effects of crop losses due to uncontrollable natural hazards. In the 1989 crop year, 2,227 farmers obtained coverage totalling $82 million and paid premiums totalling $10 million. Total indemnities paid out amounted to $11 million.

National Tripartite Price Stabilization programs are established by federal-provincial agreements and are designed to reduce income losses to producers due to market price risks. In 1989/90, $1 million was paid in premiums by British Columbia apple producers with matching contributions by the provincial and federal governments. The province also entered into agreements to establish similar programs for beef, hogs, lamb, honey and onions.

Agricultural Finance

Programs under the *Agricultural Credit Act* include provincial farm loan guarantees and low-interest loans to a maximum of $75,000 to finance permanent improvements to the land base that increase productivity and intensify production. Since 1974, the government has issued 475 guarantees totalling $50 million.

The Feed Grain Market Development Program is a three-year program, which expired July 31, 1990. It provided a $15 per tonne incentive to grain producers to sell eligible feed grains in the British Columbia market and a $11 per tonne incentive to livestock producers to purchase British Columbia feed grains. The program disbursed $2.1 million in 1989/90.

Agriculture and Food Development

Under the $40-million, five-year Agriculture and Food Regional Development Sub-Agreement with the federal government, funds were allocated for productivity enhancement, resource development and commodity development. Expenditure commitments under the agreement totalled $33 million to March 31, 1990. The program expired in October 1990.

In March 1989, the provincial and federal government signed the Grape and Wine Sector Adjustment Initiative. The initiative targets $28 million to help the province's wine industry adjust to the Canada-United States Trade Agreement and multilateral trade rulings. The agreement calls for $20 million to compensate growers for vine removal, $7 million to assist wineries in future purchases of grapes from growers and $1 million for the promotion of British Columbia wines. Expenditure under the program was $22.8 million to March 31, 1990.

Aquaculture Programs

Financial assistance to the aquaculture industry is available through the *Agricultural Credit Act*, the Aquaculture Incentive Program and the Small Business Venture Capital Program. In 1989/90, there were two provincial loan guarantees issued under the *Agricultural Credit Act* totalling $500,000, while $350,000 was disbursed for five projects under the Aquaculture Incentive Program. Over the 1988/89 and 1989/90 fiscal years, the Small Business Venture Capital Program approved $11 million for investment in the industry.

Aquaculture and Commercial Fisheries Management Programs

The provincial government's fisheries management programs conserve and manage wild oyster stocks, marine plants and associated habitats, and facilitate development of fish farming. These programs involve: maintaining population and habitat inventories; managing, licensing and regulating fresh water commercial fisheries and aquaculture enterprises; conducting biophysical inventories; licensing and regulating fish buyers and processors; and representing the province in international fisheries negotiations. Specific aquaculture programs include broodstock development, knowledge development and technology transfer.

Tourism Programs

The government is developing tourism in the province by promoting British Columbia as a travel destination and by assisting the tourism industry to become more competitive and to market itself more effectively. A special effort has been made in recent years to promote British Columbia as a year-round destination with attractions throughout the province.

Promotion of British Columbia as a desirable tourist destination involves media advertising, brochures and other publications, familiarization tours and trade shows. The Partners in Tourism program, run by the Ministry of Tourism, provides funds for local, regional or provincial marketing initiatives.

The ministry is also responsible for such programs as the travel information network, training in the basics of customer service and production of an accommodation guide.

The Ministry of Tourism and the Ministry of Regional and Economic Development are jointly responsible for the federal-provincial Tourist Industry Development Subsidiary Agreement, which expired March 31, 1990. Funding under the agreement helped to develop resorts, international marketing, industry resource studies and training programs. Since 1985, approvals under this program totalled $30 million.

International Trade and Investment Programs

The Ministry of International Business and Immigration focuses government policy on matters relating to trade, immigration and the encouragement of investment in the province. International marketing activities and export assistance programs are administered by the British Columbia Trade Development Corporation (see Chapter 8).

Trade Policy

The ministry has helped prepare British Columbia businesses to take advantage of the Canada-United States Trade Agreement and to adjust to United States competition by hosting a series of workshops and seminars throughout the province. In 1990, a second province-wide seminar series for service industries was held.

The ministry was also responsible for the preparation and communication of British Columbia's position with respect to the current Uruguay Round of Multilateral Trade Negotiations, being held under the auspices of the General Agreement on Tariffs and Trade (GATT) (see also Chapter 6).

The ministry has also been very active with respect to the European Community 1992 initiative by hosting a conference and publishing *British Columbia and Europe: Towards 1992*. The document examines British Columbia's trade, investment and tourism relationship with the European community.

Immigration Policy

The ministry has participated in consultations regarding national immigration levels, co-sponsored British Columbia's first Immigration Week with Canada Employment and Immigration, and is continuing to negotiate a Canada-British Columbia Immigration Agreement. A major focus of the negotiations is to ensure that links between immigration levels and the province's economic objectives are established.

Financial and Commercial Regulation and Consumer Services

The Ministry of Finance and Corporate Relations is responsible for regulating financial and commercial activities under provincial jurisdiction. The Ministry of Labour and Consumer Services regulates liquor sales and consumption in British Columbia, and coordinates provincial government services to consumers.

Corporations and Financial Institutions

The Ministry of Finance and Corporate Relations is responsible for all aspects of corporate and financial institutions policy and the implementation of policy decisions.

The Policy and Legislation Branch is responsible for developing government policy proposals and for providing policy advice on issues regarding corporate law, personal property security, financial institutions, and marketing of financial services and products.

The Corporate, Central and Mobile Home Registry administered all matters respecting corporations, societies and partnerships, the registration of all security interests against personal property and the maintenance of records of all mobile homes in the province. The registry was significantly reorganized upon proclamation of the new *Personal Property Security Act* in October 1990. A single registry, the Personal Property Registry replaces the three existing encumbrance registries. Corporate filings and mobile home records offices will be maintained.

Financial Institutions Commission

In 1989, the Financial Institutions Commission was formed through the merger of the Office of the Superintendent of Financial Institutions with the Credit Union Deposit Insurance Corporation. The commission is responsible for the development and maintenance of a fair and effective regulatory environment that enhances efficiency, stability and growth in the financial services sector of the province. It reports to the Minister of Finance and Corporate Relations and administers the new *Financial Institutions Act* and the *Credit Union Incorporation Act*, monitors financial institutions and manages the Deposit Insurance Fund.

During 1989/90, the commission was responsible for regulating 115 credit unions, 351 insurance companies, 68 trust companies, 36 international financial businesses, 2,016 insurance agents and 1,075 real estate agents.

British Columbia Securities Commission

The British Columbia Securities Commission is responsible for the regulation of the province's securities industry, including registration of persons trading in or advising on securities; administration of prospectus filing and continuous disclosure requirements; and investigation and enforcement of securities legislation and policy.

The commission, consisting of the chairman and commissioners, administers the *Securities Act* and the *Commodity Contract Act*; acts as a quasi-judicial tribunal in hearing matters arising under the legislation; establishes policies governing the interpretation and administration of the legislation; and advises the Minister of Finance and Corporate Relations on securities legislation and related matters.

The Superintendent of Brokers heads the commission's staff and is responsible for the day-to-day administration of the legislation and policies; advises the commission on policy and administrative matters; and brings matters before the commission in formal hearings.

In 1989/90, the commission accepted 885 prospectuses and 58 statements of material fact. Also during the year, 36 individuals had their trading rights suspended and 44 others were prohibited from acting as directors and officers of public companies for violations of the *Securities Act*. The department opened 759 new investigation and complaint files and closed 674 files.

Liquor Control and Licensing

The Liquor Control and Licensing Branch of the Ministry of Labour and Consumer Services issues and transfers licences for the sale of liquor; licenses breweries, distilleries, wineries and their agents; monitors and controls liquor advertising; inspects licensed premises to ensure they comply with the law; and takes appropriate disciplinary actions against contraventions of the *Liquor Control and Licensing Act*, other regulations and branch policy.

In November 1989, the liquor licensing process was made more open and effective with the establishment of a new Liquor Licensing Committee and a new Liquor Appeal Board. The opinions of residents regarding proposed licensed establishments will be canvassed by municipalities, strengthening local participation.

Training of most liquor license holders and their management and server staff in the responsible service of alcoholic beverages has been made mandatory through the Responsible Beverage Service Program.

For information and statistics pertaining to the Liquor Distribution Branch see Chapter 8.

Consumer Services

The Consumer Services Branch of the Ministry of Labour and Consumer Services promotes fairness and understanding in the marketplace through the development, administration and enforcement of consumer legislation.

The Investigation Services Branch investigates alleged violations of consumer protection laws and prosecutes where necessary. In 1989, 31,075 complaints were received, 314 warnings issued and 23 criminal charges laid.

The Residential Tenancy Branch assists landlords and tenants in settling disputes, informs landlords and tenants of their rights and responsibilities, and investigates alleged contraventions of the *Residential Tenancy Act*. During 1989, amendments to the act gave government arbitrators the power to settle disputes between landlords and tenants over monetary issues, such as security deposits; extended tenancy protection to permanent residents of lower-cost hotels, motels, inns and rooming houses; and prevented landlords from converting month-to-month tenancies to long-term leases without municipal approval. In June 1990, protection against discrimination and unfair eviction practices was granted to families and other renters.

The Debtor Assistance Branch offers counselling services to consumers with debt problems and assists borrowers and lenders with debt repayment problems. In 1989, the branch counselled 5,247 clients, arranged almost 651 repayment plans for debtors facing financial hardship and helped return more than $4.6 million to creditors. Also, the Registrar of Reporting Agencies administers the *Credit Report Act*, which regulates the activities of British Columbia's credit industry.

The Ministry of Labour and Consumer Services also licenses and regulates travel agents, motor dealers, cemetery operators and funeral directors offering prepaid services.

Public Consultation

Introduction

The public increasingly is demanding a say in government policies and programs. Citizens no longer consider a trip to the voting booth their only civic duty. In recent years, government task forces and commissions have made an important contribution to the development of public policy and have provided a broad-based perspective on key issues. This topic box provides highlights of some of the major task forces.

Justice Reform

The Justice Reform Committee was formed in November 1987 to find ways of increasing public access to the justice system. Based on the committee's *Access to Justice* report, major new initiatives were implemented beginning in April 1989.

Courts were streamlined to reduce costly delays. The Supreme and County Courts were merged into a new Supreme Court and Masters, instead of judges, now deal with routine matters. Small Claims Courts now settle disputes of up to $10,000. Diversion (for example, community work rather than incarceration) is more widely used in minor criminal offenses and alternative dispute resolution mechanisms are being studied.

The *criminal justice process was improved.* More staff were provided, with emphasis on special prosecutions, such as child sexual abuse, dangerous offenders and commercial crime. New pre-trial court procedures were implemented to reduce unnecessary court time, and costs associated with prosecuting certain crimes are now recoverable from the convicted offender.

Initiatives to increase *access to justice for special groups* include: improving accessibility for the physically disabled; providing assistance for individuals for whom English is a second language; and compensating victims for losses caused by criminal activity.

Access for All

In March 1989, the Access for All strategy was introduced to improve access to advanced education and training. Existing university degree programs will expand by 15,000 spaces within six years. Third and fourth year university courses are provided at colleges in Kelowna, Nanaimo and Kamloops, in conjunction with the province's universities. First and second year university programs in other colleges were expanded, while program delivery in remote areas was improved. In addition, student transfer between programs and institutions has been made easier.

In May 1990, approval was given for the establishment of the University of Northern British Columbia in Prince George.

Royal Commission on Education

In March 1987, the Sullivan Royal Commission on Education was established to seek input into the planning of British Columbia's education system into the next century. In 1989, a majority of the commission's recommendations were implemented by way of major new education policies and a new *School Act*. An Education Advisory Council, representing a broad spectrum of the community, was formed to provide ongoing advice to government.

The government is providing $1.4 billion over 10 years to implement the commission's recommendations and $1.5 billion over six years to build schools and improve existing facilities.

A new curriculum for grades 4 to 10 is being phased in over 10 years, placing greater emphasis on problem solving and creative thinking. An improved primary curriculum focuses more attention on individual progress and the development of literacy skills. New programs for grades 11 and 12 provide a choice of pathways leading to graduation.

Funding for public schools has changed. Under the new system, the government allocates an overall block of funds for public education. School boards will continue to set budgets. If boards decide to spend more than the block of funds allocated, they must seek local taxpayers' approval, through a referendum, to increase property taxes.

Property Tax Reform

During August and September 1989, a panel of four, including the Minister of Finance and Corporate Relations and the Minister of Municipal Affairs, Recreation and Culture, toured the province to hear the concerns of property taxpayers. In response to the *Report of the Property Tax Forum* and other property taxation reviews, including the *Financing Local Government* study, major changes to the school financing and property tax systems were introduced. Funding for school districts was increased and residential school tax rates increases for 1990 were limited to 3.9 per cent. A supplemental home owner grant was introduced, equal to 25 per cent of the excess of school taxes over the basic grant; the supplement will be raised to 50 per cent in 1991.

Legislative changes enable municipalities to use flat taxes (i.e. lump sum taxes) for their general purposes, and to set different tax rates on residential land and improvements. Definitions of industrial improvements were also changed to stabilize the tax roll.

Round Table on the Environment and the Economy

The Round Table on the Environment and the Economy was established in January 1989 to advise government on a wide range of environmental and economic issues. The Round Table serves as an open forum to discuss sustainable development and begins the process of consensus building within the province.

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Among the responsibilities of the Round Table are the development and monitoring of a sustainable development strategy for British Columbia; providing recommendations for the resolution of environmental and economic conflicts, including land use disputes; and directing special studies and research on sustainable development.

Freedom to Move

The Freedom to Move planning process was announced in November 1988 to create a coordinated plan for the development of provincial highway, rail, marine and air networks into the next century.

Eight regional transportation committees identified over 590 projects, costing in excess of $11 billion, to be undertaken over the next 10 years. The cost of such an expensive program is beyond government's means without large tax increases or reductions in other programs. Higher priority projects form the provincial transportation plan, which will guide provincial capital spending. The committees will continue to meet at least once a year to discuss changing needs and priorities.

Task Force on Small Business Programs and Services

The Task Force on Small Business Programs and Services was set up in the spring of 1989 to study how to foster growth and development of small business in British Columbia. Based on the task force's report, *two new financial assistance programs were introduced* that provide low interest loans and/or loan guarantees for new and expanding small businesses. As well, existing equity programs were expanded and regulations have been simplified (see Table 7.2 for more details). The other recommendations made by the task force are currently under review by government.

Commission of Inquiry — British Columbia Tree Fruit Industry

In December 1989, a Commission of Inquiry was set up to inquire into the present financial condition and the future viability of the British Columbia tree fruit industry. In August 1990, in response to the commission's report and industry and public concerns, the province established the Okanagan Valley Tree Fruit Authority, a Crown corporation responsible for developing programs to revitalize the tree fruit industry.

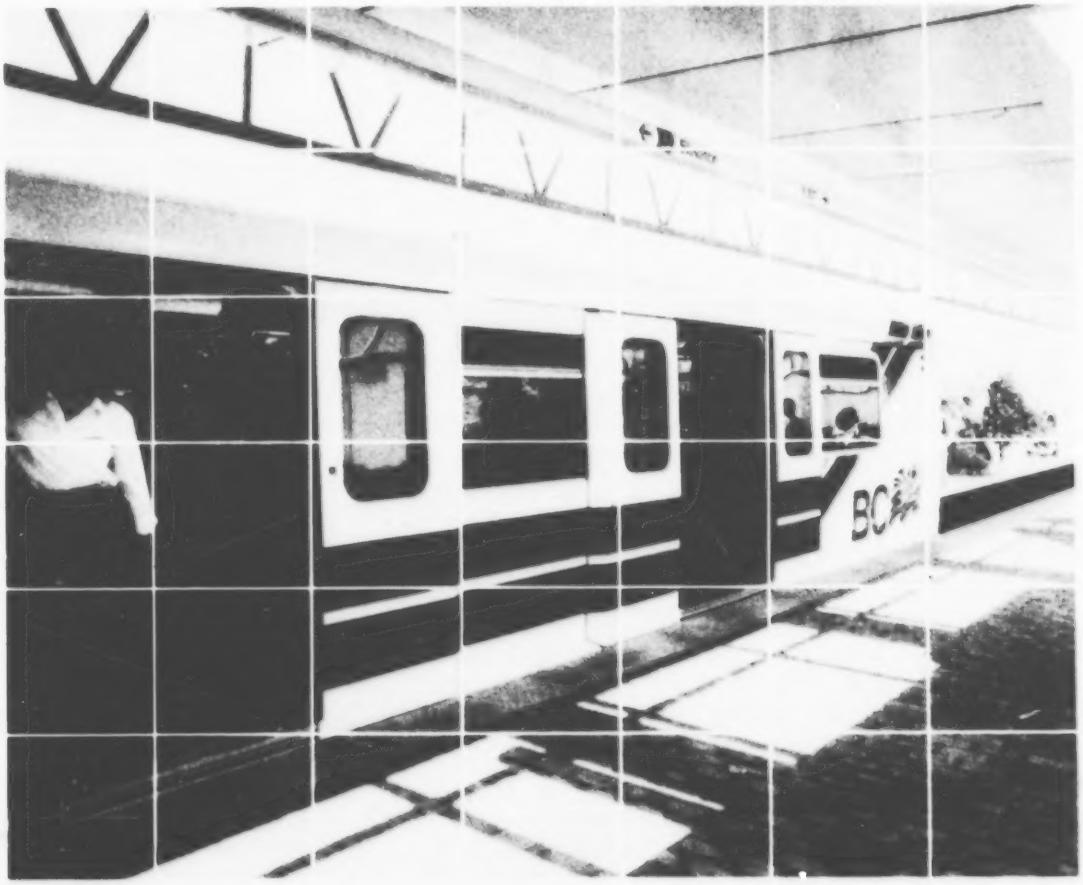
British Columbia Forest Resources Commission

The British Columbia Forest Resources Commission was established in June 1989 to advise on forest policy issues including: the effectiveness of tree farm licences as a forest tenure; improving public participation in forest planning and management; and improving forest harvest practices and methods. The commission issued an interim report in the fall of 1990, and a full report is expected in the spring of 1991.

Royal Commission on Health Care and Costs

On February 22, 1990, a Royal Commission on Health Care and Costs was formed to examine the structure, organization and effectiveness of British Columbia's health care system. A goal of the commission is to find ways to continue to provide high quality and affordable health care through the 1990s and into the 21st century. The commission will complete its report by August 1991.

Chapter 8
Crown Corporations and Agencies



8: Crown Corporations and Agencies

Introduction

Crown corporations and agencies are entities established or acquired by the government for various purposes. Commercial Crown corporations, which include British Columbia Hydro and Power Authority and British Columbia Railway Company, generate revenue from the sale of services at commercial rates and pay their own operating expenses, including debt servicing costs. Economic development Crown corporations, which include British Columbia Ferry Corporation and British Columbia Transit, generally operate as commercial corporations. However, because these corporations undertake projects which provide economic benefits to the province, but may not generate a break-even financial return, they may receive some financial assistance from the government. The remaining Crown corporations and agencies receive government financial assistance to administer social and government services and to assist in the financing of other public bodies.

The operations of Crown corporations are recorded in their own financial statements which are subject to audit by the Auditor General or by private sector auditors. The government's main financial statements reflect only transactions between the government and Crown corporations. Appendix Table A8.1 lists major British Columbia Crown corporations and agencies and their functions. Appendix Table A2.14 summarizes the net debt of provincial Crown corporations.

British Columbia Hydro and Power Authority

British Columbia Hydro and Power Authority (B.C. Hydro) generates, transmits and distributes electricity to almost 1.3 million customers in a service area containing over 92 per cent of British Columbia's population. B.C. Hydro's rated or "name-plate" generating capacity at March 31, 1990 was 10,467 megawatts. Of this total, 9,332 megawatts was hydroelectric and 1,135 megawatts was thermal. The highest one-hour peak demand on the integrated system during the year was 7,373 megawatts, slightly below last year's record of 7,485 megawatts.

Operations

Electricity sales during 1989/90 were 42,743 gigawatt-hours, slightly above 1988/89's level of 42,717 gigawatt-hours. Domestic electricity sales increased by 3.2 per cent to 39,030 gigawatt-hours while export sales decreased by 24 per cent to 3,713 gigawatt-hours (see Table 8.1).

Table 8.1 British Columbia Hydro and Power Authority Financial and General Operating Data

Fiscal year ended March 31.		1990	1989	Change 1989–1990
Electric				
Generating name-plate capacity	(rated megawatts)	10,467		(per cent)
Number of customers	(thousands)	1,265	10,467	–
Electricity sold (domestic)	(gigawatt-hours)	39,030	1,234	2.5
Electricity sold (export)	(gigawatt-hours)	3,713	37,833	3.2
Peak one-hour demand	(megawatts)	7,373	4,884	–24.0
Residential service – average revenue per kilowatt-hour	(cents)	5.5	7,485	–1.5
			5.4	1.9
		($ millions)		
Revenue		1,706		(per cent)
– Domestic		115	1,660	2.8
– Exports		1,821	109	5.5
			1,769	2.9
Operating income		55		
– Domestic		41	10	–
– Export		96	57	–28.1
Total operating income			67	43.3
Net rate stabilization account transfer		23		
Other income[1]		41	15	53.3
Net income		160	4	–
			86	86.1
Net expenditure on fixed assets[2]		306		
Fixed assets in service		10,822	185	65.4
Net debt outstanding		6,727	10,608	2.0
Temporary investments at end of year		207	6,774	–0.7
Number of regular employees		4,904	71	–
			4,510	8.7

[1] Other income in 1989/90 represents the gain from the sale of B.C. Hydro's head office building in Vancouver. Other income in 1988/89 represents the income of the gas and rail divisions up to date of sale to the private sector.

[2] Contributions from third parties in aid of construction are netted against gross expenditure on fixed assets.

Source: British Columbia Hydro and Power Authority.

Domestic revenues reached a record high of $1,706 million in 1989/90, an increase of 2.8 per cent over the previous year. This contributed to the second year of profitable domestic operations since 1981. Domestic operating income increased significantly, due to a combination of strong domestic load growth, continuing productivity increases and a 3 per cent interim rate increase in November 1989.

Net income for 1989/90, also included a gain of $41 million from the sale of B.C. Hydro's head office building in downtown Vancouver and $64 million in income from export sales.

For the year ended March 31, 1990, B.C. Hydro paid $130 million to the province as a general distribution.

Debt Management

B.C. Hydro's net debt outstanding at March 31, 1990 was $6,727 million, down $47 million from the previous year. Since 1985, B.C. Hydro has reduced its debt by $1.9 billion. Its debt-to-equity ratio of 80:20 is unchanged from last year.

In addition, total exposure to foreign exchange risk was reduced to $1,568 million, down $39 million during the year. Over the past two years, B.C. Hydro has reduced its unhedged U.S. debt by $1 billion.

In 1989/90, the use of a revolving borrowing facility increased short-term debt by $42 million bringing the short-term debt portion of total debt to 22 per cent. This allowed B.C. Hydro to maintain financing flexibility while managing interest rate risks. Finance charges were $768 million in 1989/90, 12 per cent lower than last year, primarily due to this debt management program.

Capital Expenditures

Capital expenditures, net of contributions from third parties, were $306 million in 1989/90, an increase of $121 million from the previous year. Spending was primarily for an enhanced distribution system to meet greater customer demand, increased dam rehabilitation and expanded transmission facilities to ensure a reliable supply of electricity.

Resource Planning

B.C. Hydro's hydroelectric system has now reached a balance where the demand for electricity is equal to the capability of the system to supply it on an assured basis. B.C. Hydro is pursuing a variety of supply and demand options aimed at meeting the province's future energy needs at costs lower than the cost of new hydroelectric generation. These options emphasize conservation measures, improvements to existing resources, coordination with neighbouring utilities and purchases from private sector producers. B.C. Hydro expects 13,000 gigawatt-hours of additional energy by the year 2000 as a result of these initiatives.

Five major conservation or "Power Smart" programs were initiated for residential, commercial and industrial customers. Through conservation programs, annual energy savings of 3,440 gigawatt-hours could be achieved by the year 2000, enough to supply electricity to about 300,000 homes and equivalent to the output of a major hydroelectric dam.

"Resource Smart" initiatives are designed to maximize energy from existing facilities. During 1989/90, these initiatives resulted in energy gains totalling 380 gigawatt-hours, or 15 per cent of the target of 2,600 gigawatt-hours in energy savings by the year 2000.

Agreements were reached with several private sector producers to supply power to B.C. Hydro. By the year 2000, B.C. Hydro could be purchasing 2,400 gigawatt-hours of electricity from independent power producers each year.

B.C. Hydro entered into an agreement with a major customer to assist it in generating power for its own use. Such self-generation projects could provide 1,300 gigawatt-hours annually by the year 2000.

In addition, the rights to the downstream energy benefits sold to the United States under the Columbia River Treaty in 1964 will gradually revert to the province starting in 1998. These downstream benefits are forecast to provide 2,060 gigawatt-hours of electricity by the year 2000.

B.C. Hydro's risk management strategy addresses the enormous risks associated with over and under supply of electricity. Peace Site C plays a key role in this strategy. Environmental and socio-economic studies are proceeding and engineering work needed to reduce project lead time will be undertaken.

British Columbia Railway Company

British Columbia Railway Company, the third largest railway in Canada, operates 1,966 kilometres of main line track from North Vancouver to northeastern British Columbia. (See Map 5.1: Chapter 5). The railway also maintains 652 kilometres of industrial yard track and sidings. Through connections at North Vancouver, Prince George and Dawson Creek, the railway has access to the North American railway network. Deep-sea bulk-loading facilities are located at North Vancouver and Squamish and a separate 37 kilometre rail line connects transcontinental rail carriers to Roberts Bank, the port facility for coal mines in southeastern British Columbia and Alberta. The railway also operates a microwave communication system, which enables dispatchers to be in constant communication with its trains and trucking fleet.

At the end of 1989, the railway's rolling stock fleet consisted of 121 locomotives, 9,914 freight cars, 9 passenger cars and 505 work cars. Land holdings of more than 19,000 hectares, in addition to rights-of-way, include industrial parks at Prince George, Williams Lake, Mackenzie, Fort St. John, Dawson Creek, Fort Nelson and Fort St. James.

Corporate Structure

British Columbia Railway Company, which is 100 per cent owned by the Province of British Columbia, together with its wholly-owned subsidiary, BCR Properties Ltd., owns 100 per cent of the common shares of BC Rail Ltd. BC Rail Ltd. is the railway operating company, while BCR Properties Ltd. owns and manages non-operating real estate assets.

Operations

Details of consolidated operating results are given in Table 8.2. Operating revenue for 1989 was $329 million, a slight increase over the previous year. Operating expense of $242 million was down slightly from 1988. The company recorded a net loss of $16 million, after dividend payments to preferred shareholders and an $81 million extraordinary write-off. This write-off was for construction costs of the northernmost section of the Dease Lake Extension, which was evaluated and deemed to have no future economic benefit to the company. On May 15, 1990, British Columbia Railway Company paid a $10 million common share dividend to its shareholder, the Province of British Columbia.

Capital Expenditure

Total capital expenditure in 1989 was $72 million and focused on the railway's Port Subdivision and on trackage between Lillooet and Williams Lake. Investments were made in roadbed improvements, installation of continuous welded rail and tie replacement. Capital expenditures of $4 million for rehabilitation of the Fort Nelson extension were reimbursed by the provincial government.

Table 8.2 British Columbia Railway Company Consolidated Summary Income Statement and Operating Data

Fiscal year ended December 31,	1989	1988	Change 1988–1989
	($ thousands)		(per cent)
Operating revenue	328,953	326,994	0.6
Operating expense	241,715	242,709	−0.4
Operating income	87,238	84,285	3.5
Interest expense	(8,663)	(11,145)	−22.3
Other income	4,838	3,676	31.6
Large corporations tax	(931)	—	—
Net income before minority interest	82,482	76,816	7.4
Minority interest (preferred share dividends)	17,893	18,500	−3.3
Income before extraordinary item	64,589	58,316	10.8
Extraordinary item	(80,646)[1]	—	—
Net income (loss)	(16,057)	58,316	−127.5
Number of carloadings	218,642	225,971	−3.2
Tons hauled	16,955,000	17,340,000	−2.2
Employees at year end	2,700	2,700	—
Revenue per main track kilometre ($ thousands)	147	146	0.7

Source: British Columbia Railway Annual Report 1989.

[1] Costs relating to a portion of the uncompleted Dease Lake extension were determined to have no future economic benefit to the railway and therefore have been written off.

The railway's five-year plan calls for total capital expenditures of approximately $490 million between 1990 and 1994. Planned expenditures include the purchase of 22 diesel-electric locomotives, rehabilitation of 316 kilometres of track between Fort St. James and Sloane, and modernization and expansion of the North Vancouver yard.

Government Assistance

In recognition of the railway's role in the development of northern British Columbia and as an operator of uneconomic services deemed to be in the provincial interest, the government provides limited financial assistance to the railway. The government provided operating grants of $8.1 million and capital grants of $7.2 million in 1989.

Insurance Corporation of British Columbia

The Insurance Corporation of British Columbia was established in 1973 under the *Insurance Corporation Act* to administer Autoplan, a compulsory automobile insurance program providing basic liability coverage and accident benefits to all licensed motor vehicle owners in the province on a cost-recovery basis. In competition with other insurance companies, the corporation also offers a comprehensive range of optional automobile coverage.

In 1989, the total premium and investment income of the *Insurance (Motor Vehicle) Act* fund reached $1,524 million, an increase of 22.2 per cent over 1988, as a result of the purchase of more comprehensive protection by motorists and higher interest rates earned on the corporation's investment portfolio. The cost of claims and operating expenses increased by 17.4 per cent to $1,434 million, resulting in net income for the year of $90 million. The rate stabilization reserve fund, designed to protect policyholders against sudden large rate increases, was bolstered by $35 million. Due to the number of natural disasters in 1989, the catastrophe reserve fund was increased by $10 million.

In establishing premium rates for 1990, the corporation took into consideration the unappropriated surplus of $45 million. Therefore, it was decided to increase premiums by an average of 4.8 per cent.

Table 8.3 Insurance Corporation of British Columbia Operating Data

Fiscal year ended December 31.		1989	1988	Change 1988–1989
Revenue		($ thousands)		(per cent)
Premium income		1,245,808	1,034,215	20.5
Investment income		278,493	213,140	30.7
		1,524,301	1,247,355	22.2
Claims and expenses				
Claims incurred		1,126,456	953,798	18.1
Other expenses		307,750	267,404	15.1
		1,434,206	1,221,202	17.4
Net income		90,095	26,153	244.5
Vehicle policies		2,095,000	2,036,000	2.9
Average premium		$580	$516	12.4
Number of claims for policy year		739,000	649,000	13.9
Unpaid claims	($ thousands)	1,749,429	1,553,174	12.6
Expense ratio	(per cent)	13	14	−7.1
Average number of employees		3,040	2,807	8.3
Investments at year end	($ thousands)	2,299,925	2,028,760	13.4
Total assets	($ thousands)	2,559,387	2,212,917	15.7
Catastrophe reserve fund	($ thousands)	30,000	20,000	50.0
Rate stabilization reserve fund	($ thousands)	65,000	30,000	116.7

Source: Insurance Corporation of British Columbia Annual Report 1989

British Columbia Petroleum Corporation

Natural gas produced in the province is purchased and marketed by the British Columbia Petroleum Corporation and the revenue received is distributed to natural gas producers in accordance with the *Natural Gas Price Act*. Producers not already under contract with the corporation have the option of either selling their gas to the corporation or making their own marketing arrangements directly with industrial customers. The *Natural Gas Price Act* established the Natural Gas Price Adjustment Fund, which is administered by the corporation. After deduction of cost-of-service paid to Westcoast Energy Inc., all revenue from the sale of natural gas and by-products is paid into the Natural Gas Price Adjustment Fund, and then distributed to producers after payment of the corporation's cost-of-service. Gas producers, in turn, pay a royalty to the provincial government on the revenues they receive from the sale of gas and by-products.

British Columbia Petroleum Corporation sold 6,701 million cubic metres of gas in 1989/90, an increase of 31.1 per cent over the previous year and the largest volume since 1986. Domestic sales increased by 973 million cubic metres to 4,826 million cubic metres, a volume close to the 1986 record, while export sales rose by 49.1 per cent.

Table 8.4 Natural Gas Price Adjustment Fund: Statement of Revenue, Expenditure and Fund Balance

Fiscal year ended March 31,	1990	1989	Change 1989-1990
	($ thousands)		(per cent)
Revenue			
Natural gas sales	526,498	499,624	5.4
Less: Westcoast cost-of-service	207,896	211,916	−1.9
	318,602	287,708	10.7
Sulphur and by-product sales	32,326	26,911	20.1
Interest income	2,546	3,430	−25.8
	353,474	318,049	11.1
Expenditure			
Gas purchases	325,900	298,799	9.1
Price adjustments	16,295	16,681	−2.3
Payments for natural gas liquids	19,512	11,095	75.9
Administrative and general	3,720	2,127	74.9
	365,427	328,702	11.2
Excess of expenditure over revenue	11,953	10,653	12.2
Fund balance at beginning of year	37,256	47,909	−22.2
Fund balance at end of year	25,303	37,256	−32.1

Source: British Columbia Petroleum Corporation Annual Report 1989/90.

The corporation's newly-created marketing department was responsible for a substantial increase in both domestic and export sales volumes. Due to intense competition, however, the increase in sales volumes was partially offset by a considerable fall in prices. The average price of natural gas sold to domestic utilities was $75 per thousand cubic metres during 1989/90, down from $86 in 1988/89. The average export price was $65 per thousand cubic metres compared to $101 the previous year. After deducting cost-of-service, the average price paid to producers was $47 per thousand cubic metres, down from $57 a year earlier. This reduction was due to weak sale prices during the year. Since January 1, 1990, the regulated selling price has been set at $49 per thousand cubic metres.

During 1989/90, total revenue of the Natural Gas Price Adjustment Fund was $353 million, compared with $318 million a year earlier. Total expenditure, including payments to producers, was $365 million (see Table 8.4).

Petroleum Corporation Fund

The Petroleum Corporation Fund reflects transactions that occurred prior to July 1, 1985, and transactions that are not governed by the *Natural Gas Price Act*. In 1989/90, the net income of this fund was $6 million (see Table 8.5).

During 1989/90, Ocelot Chemicals Inc. repaid the remainder of its outstanding debt to B.C. Petroleum (Kitimat) Ltd., a subsidiary of B.C. Petroleum Corporation. Part of these funds were transferred to the province in December 1989, resulting in a decrease in the fund balance to $26 million at March 31, 1990.

Table 8.5 Petroleum Corporation Fund: Statement of Revenue, Expenditure and Fund Balance

Fiscal year ended March 31,	1990	1989
	($ thousands)	
Revenue		
Interest	5,658	6,447
Miscellaneous income	47	85
Gain (loss) on prepaid gas	(8)	(702)
Gain on disposal of assets	12	—
	5,709	5,830
Expenditure		
Administrative and general	56	144
Net income	5,653	5,686
Fund balance at beginning of year	54,099	93,413
	59,752	99,099
***Deduct:* Transfers to Provincial Treasury**	33,561	45,000
Fund balance at end of year	26,191	54,099

Source: British Columbia Petroleum Corporation Annual Report 1989/90.

Sale of Marketing Functions

In keeping with the province's philosophy of deregulating the petroleum industry, a committee of the corporation's board of directors was appointed to examine and assess proposals for privatizing the marketing arm of the corporation. Based on the committee's recommendation, CanWest Gas Supply Ltd., comprised of a number of British Columbia natural gas producers, acquired the marketing functions and administration of the Natural Gas Price Adjustment Fund on August 1, 1990. The corporation will retain its administrative responsibilities under the *Natural Gas Price Act*.

Liquor Distribution Branch

The Liquor Distribution Branch manages the distribution of beverage alcohol products in British Columbia in accordance with the *Liquor Distribution Act*. The branch's corporate objectives are to provide a high level of customer service, meet the provincial government's revenue targets, provide suppliers with controlled but fair access to the marketplace, foster a healthy business environment for the province's liquor industry and encourage responsible and moderate use of alcohol.

During 1989/90, the branch renovated 12 stores, replaced 7 stores, opened 5 new rural agency stores and closed 1 store. At March 31, 1990, there were 216 government liquor stores; 130 rural agency stores in remote communities, located in premises that may also sell non-alcoholic products; and 92 industry agency appointments operating at 41 locations where manufacturers can sell their own products. Twelve of the operators at these locations also have direct agency appointments with the branch, allowing the sale of American wines. In addition, the branch has financial agreements with 170 licensee retail stores.

During 1989/90, branch revenue increased by 3.8 per cent while operating expenses increased by 14.2 per cent due to higher commissions paid to private sector operators. As a result, net income of the branch increased 1.1 per cent to $420 million. One factor that may influence future profitability is a continuing shift in consumption patterns from more expensive, higher alcohol products to less expensive, lower alcohol products.

Table 8.6 Liquor Distribution Branch Summary Income Statement

Fiscal year ended March 31,	1990	1989	Change 1989–1990
	($ millions)		(per cent)
Sales	1,280.7	1,234.1	3.8
Cost of merchandise sold	715.7	692.3	3.4
	565.0	541.8	4.3
Operating expenses	149.7	131.1	14.2
	415.3	410.7	1.1
Other income	4.3	4.5	−4.4
Net income	419.6	415.2	1.1

Source: Liquor Distribution Branch.

British Columbia Lottery Corporation

The British Columbia Lottery Corporation has responsibility for the conduct and management of lottery games within British Columbia, and cooperates with other provinces in the conduct and marketing of nationwide games. As well, the corporation is the sole distributor of bingo paper within the province. The corporation has its headquarters in Kamloops, and employs over 300 persons throughout the province.

The corporation currently offers 10 lottery games. Seven are conducted solely by the corporation in British Columbia, while the remainder are joint undertakings through the Interprovincial Lottery Corporation. The corporation's products are made available to the public through a network of licensed retailers throughout British Columbia.

Operations

Net income for 1989/90 was $205 million, 5.6 per cent higher than in 1988/89. Total sales increased 4.6 per cent, while direct expenses on prizes increased 4.7 per cent and commissions increased by 4.9 per cent. Details of operating results are given in Table 8.7.

Table 8.7 British Columbia Lottery Corporation Summary Income Statement

Fiscal year ended March 31,	1990	1989	Change 1989–1990
	($ milliorions)		(per cent)
Sales	548.1	524.2	4.6
Direct expenses			
Prizes	259.3	247.6	4.7
Retailer commissions	30.2	28.8	4.9
Ticket printing	14.3	12.9	10.9
Sales less direct expenses	244.3	234.9	4.0
Operating expenses	38.9	40.4	−3.7
Net income	205.4	194.5	5.6
Distribution of net income			
Government of Canada	5.2	4.9	6.1
Province of British Columbia	200.2	189.6	5.6
	205.4	194.5	5.6

Source: British Columbia Lottery Corporation.

British Columbia Steamship Company (1975) Ltd.

British Columbia Steamship Company (1975) Ltd. (B.C. Steamship) is incorporated under federal legislation. In November 1988, all operating assets of B.C. Steamship were sold to B.C. Stena Line Ltd. (B.C. Stena), which now provides passenger and car ferry service between Seattle, Washington, and Victoria, British Columbia.

B.C. Steamship is the registered owner of 10 Class C non-voting shares of B.C. Stena. This gives B.C. Steamship the right to nominate two directors to the board of directors of B.C. Stena.

B.C. Stena, as an agent of the province, manages the gaming concessions on board its vessels. B.C. Steamship receives 30 per cent of the net gaming revenue from these concessions.

British Columbia Ferry Corporation

British Columbia Ferry Corporation was established in 1977 to operate the province's major coastal ferries. The corporation, which employs 3,000 people during peak traffic season, operates one of the largest ferry systems in the world as measured by traffic carried and routes serviced. The fleet of 38 vessels operating on 25 routes has a capacity of 5,000 vehicles and a licensed capacity of 24,300 passengers.

The fleet links Vancouver Island to the Lower Mainland with three separate routes. It links the many small islands of the Strait of Georgia to either Vancouver Island or the mainland and serves the communities of the Sunshine Coast. It also operates services connecting Prince Rupert, on British Columbia's north coast, to the Queen Charlotte Islands and to northern Vancouver Island. There is also a drop-trailer service between Prince Rupert and Skidegate for unaccompanied commercial vehicles.

The corporation provides financial assistance to operators of transportation services for passengers and light freight for communities on the west coast of Vancouver Island; between Prince Rupert, Port Simpson and Kincolith; between Vancouver Island and Lasqueti Island; and to other mid-coast communities.

Table 8.8 British Columbia Ferry Corporation Summary Income Statement and Operating Data

Fiscal year ended March 31,	1990	1989	Change 1989–1990
	($ millions)		(per cent)
Operating revenue	222.1	205.1	8.3
Operating expense	246.2	224.1	9.9
Income (loss) from operations	(24.1)	(19.0)	26.8
Interest income (expense)	2.6	(3.2)	—
Net income (loss)	(21.5)	(22.2)	-3.2
Provincial subsidy	51.0	51.0	—
Capital expenditure	17.1	7.6	125.0
Traffic			
Vehicles (thousands)	7,499	6,885	8.9
Passengers (thousands)	19,229	17,879	7.6
Capacity utilization (annual average)			
Vehicles	67%	65%	
Passengers	28%	27%	

Source: British Columbia Ferry Corporation.

Operations

During 1989/90, vehicle and passenger volumes increased 8.9 per cent and 7.6 per cent, respectively. Similarly, operating revenue increased 8.3 per cent to $222 million in 1989/90, while operating expenses totalled $246 million, a 9.9 per cent increase from the previous year. Operating costs were partially funded by a provincial government subsidy of $51 million in 1989/90. The corporation reported a net loss of $22 million for the year, a slight improvement from the previous year.

Capital Expenditure

In 1989, the corporation commenced a multi-year capital expansion program that involves construction of two super ferries and two smaller ferries, and further improvements to the corporation's four major terminals. During 1989/90, the corporation made capital expenditures of $17 million, including $5 million on ship modifications and upgradings, and $9 million for improvements to its terminals.

British Columbia Transit

British Columbia Transit was established in 1978 to ensure a uniform provincial policy for urban transit. As well as providing transit services in the regions of Vancouver and Victoria, the corporation operates in 36 smaller communities throughout the province. On February 22, 1990, Victoria celebrated the 100th anniversary of public transit service; June 26, 1990, was the centennial of transit services in Vancouver.

British Columbia Transit manages a provincial fleet of 1,433 vehicles, including 114 SkyTrain cars and 2 SeaBus ferries, and numerous other physical assets, including transit exchanges and garages.

British Columbia Transit also funds transportation for disabled persons who are unable to use conventional public transit vehicles. A custom transit service, known as handyDART, serves 15 communities.

Transit systems are financed through a funding formula which specifies the shares covered from a provincial government contribution, municipal government contributions and direct operating revenues from fareboxes, passes and advertising. In Greater Vancouver and Victoria, the municipal government contribution may be raised through a combination of property taxes, an electrical power levy and a gasoline surcharge. In the rest of the province, municipal government contributions are raised through property taxes only.

Rapid Transit

British Columbia Transit has overall responsibility for the construction of SkyTrain in Greater Vancouver. Phase I of the project, the 22-kilometre SkyTrain rapid transit line between downtown Vancouver and New Westminster, was successfully commissioned on January 2, 1986. Phase II from New Westminster to Scott Road in Surrey began service on March 17, 1990. Plans are underway to extend SkyTrain to Whalley in Surrey by 1993, as well as to Lougheed Mall in Coquitlam and from downtown Vancouver to Richmond by 1995. Capital costs of the planned SkyTrain extensions will be completely funded by the province.

Operations

During 1989/90, British Columbia Transit expenditures increased 6.6 per cent to $396 million. These expenditures were partially funded through provincial government contributions of $178 million and municipal government contributions of $81 million, with the remainder coming from operating and other revenues (see Table 8.9).

Table 8.9 British Columbia Transit Statement of Operating Expenditures and Recoveries

Fiscal year ended March 31,	1990	1989	Change 1989–1990
	($ thousands)		(per cent)
Expenditures			
Transit operations	202,073	185,559	8.9
Administration	38,069	37,145	2.5
Property leases and taxes	5,545	5,588	−0.8
Debt servicing	150,129	143,100	4.9
	395,816	371,392	6.6
Recoveries			
Contributions from the provincial government	139,473	131,968	5.7
Contributions from municipalities	81,087	77,976	4.0
Transit operations	125,843	115,340	9.1
Provincial grant — debt servicing assistance	38,927	38,927	--
Other	10,486	7,181	46.0
	395,816	371,392	6.6

Source: British Columbia Transit.

British Columbia Trade Development Corporation

The British Columbia Trade Development Corporation was established June 1, 1989, as a Crown agency affiliated with the Ministry of International Business and Immigration. Under the chairmanship of the minister, the corporation's mandate is to encourage and increase the export of British Columbia goods and services.

Marketing Division

The Marketing Division provides market intelligence on new business opportunities, and assists British Columbia companies to evaluate opportunities and create strategies maximizing these opportunities. The division focuses on six market sectors: agriculture and fisheries; films; manufacturing; advanced technology; natural resources; and service industries.

Export Advisory Services

The Export Advisory Services Division provides firms with specialized export management counselling, access to financing, and targeted training programs. Counselling and financial advice is provided to help existing exporters improve their success rate in penetrating export markets and inexperienced companies to develop and implement an export program (see also Table 7.1 in Chapter 7).

Business Information

The corporation helps improve both basic and international business skills through the Business Info Centre, a one-stop shop for business information, and the British Columbia Business Network, an electronic, worldwide business information network.

The Business Info Centre carries business periodicals, directories, reference and "how-to" materials, daily updates on export opportunities, listings of agents and distributors, country profiles, market studies and information on upcoming trade shows.

The British Columbia Business Network provides access to information on companies, and on business and export opportunities.

British Columbia Hazardous Waste Management Corporation

The British Columbia Hazardous Waste Management Corporation was established in June 1990. The five-year mandate of the new corporation is to develop an integrated and comprehensive system for the management of hazardous waste from its source to treatment and disposal. The corporation will deal with a backlog of hazardous wastes generated by industry and households. To meet these goals, the corporation will provide technical assistance to industry for the reduction and recycling of wastes; encourage households to use non-toxic substitutes; develop and support waste control and treatment technology and research; and develop waste management education programs.

Okanagan Valley Tree Fruit Authority

The Okanagan Valley Tree Fruit Authority was established in August 1990, to enable and encourage fruit growers to revitalize their industry, renew its efficiency and restore its profitability. The authority can buy, sell and lease certain orchard lands; assist in orchard renovation and replanting; develop programs to improve productivity; commission applied research into production and marketing; develop retraining programs; undertake international marketing programs; and provide financial assistance to growers.

British Columbia Pavilion Corporation

The British Columbia Pavilion Corporation is responsible for operating and managing the British Columbia Place Stadium, the Vancouver Trade and Convention Centre, the Robson Square Conference Centre, the British Columbia Transportation Museum, and the Bridge Studios in Vancouver.

During 1989/90, revenue from operations, after the deduction of direct event costs, increased 3.6 per cent to $15 million, while facility expenditures rose 6.4 per cent to $25 million. As a result, net expenditure increased to $10 million, which was partly funded by provincial contributions of $8 million.

British Columbia Enterprise Corporation

British Columbia Enterprise Corporation (BCEC) was established in 1987 as a result of the restructuring of British Columbia Development Corporation and British Columbia Place Ltd.

During 1989, as part of the government's privatization initiative, BCEC sold a significant portion of its land assets and transferred the proceeds and balance of land to the province. BCEC ceased operations as of September 30, 1989.

British Columbia Buildings Corporation

British Columbia Buildings Corporation was established in 1976 to bring strict accountability to the provision and allocation of government accommodation. The corporation is self-supporting, raising operating funds by charging government ministries rent that is based on equivalent rates in the commercial market.

During 1989/90, revenue of the corporation increased 2.5 per cent to $267 million, while operating expenses before interest charges increased by 7.2 per cent to $200 million. The corporation's net income decreased to $19 million in 1989/90, and a dividend of $2 million was paid to the provincial government (see Table 8.10).

Table 8.10 British Columbia Buildings Corporation Summary Income Statement

Fiscal year ended March 31,	1990	1989	Change 1989–1990
	($ millions)		(per cent)
Revenue			
Rentals	241.3	235.7	2.4
Other income	25.3	24.4	3.7
	266.6	260.1	2.5
Expenses			
Property management	76.5	68.5	11.7
Leases	60.0	54.0	11.1
Depreciation and amortization	32.2	31.0	3.9
Energy	12.4	13.2	−6.1
Property taxes and grants	10.5	11.2	−6.3
General and administrative	8.2	8.4	−2.4
	199.8	186.3	7.2
Net income before interest	66.8	73.8	−9.5
Interest expense	47.7	45.6	4.6
Net income	19.1	28.2	−32.3

Source: British Columbia Buildings Corporation.

British Columbia Systems Corporation

British Columbia Systems Corporation was established in 1977 under the *System Act* to provide information technology services to the British Columbia public sector. As a service organization within government, the corporation provides shared data processing, telecommunications, professional consulting and information access.

During 1989/90, technological improvements allowed the corporation to reduce its rates for processing services by an average of 14 per cent. BC OnLine, introduced in July 1989, contributed to a substantial increase in business transactions. BC OnLine allows authorized lawyers, real estate agents, auto dealers, financial institutions, and others direct electronic access to some of the province's regulatory information databases.

During 1989/90, revenues increased 20 per cent to $126 million. Net income from operations was $8 million, an increase of 15 per cent over 1988/89 (see Table 8.11). This marks the fifth consecutive year of profitability for the corporation. As a result, the corporation made its first dividend payment to the province in the amount of $3 million.

Table 8.11 British Columbia Systems Corporation Summary Income Statement

Fiscal year ended March 31,	1990	1989	Change 1989–1990
	($ millions)		(per cent)
Gross revenue	125.5	104.2	20.4
Operating expenses			
Employee costs	34.3	27.4	25.2
Facilities management fees	3.9	3.8	2.6
Administrative and general	6.5	5.7	14.0
Equipment rental and maintenance	52.6	47.5	10.7
Depreciation and amortization	18.9	11.5	64.3
Interest on long-term debt	0.9	1.0	– 10.0
	117.1	96.9	20.8
Net income from operations	8.4	7.3	15.1
Net building cost	(3.8)	(3.9)	– 2.6
Debt assistance grant from provincial government	3.8	3.8	–
Extraordinary item	–	(6.4)[1]	–
Net income	8.4	0.8	–

[1] Write-down of land, building and building equipment to appraised value.
Source: British Columbia Systems Corporation Annual Report 1989/90.

British Columbia Housing Management Commission

In 1989, British Columbia Housing Management Commission was responsible for managing 7,579 subsidized rental units with the subsidies reducing rents to 30 per cent of the tenants' incomes. Similar rent supplements were available for tenants of 14,122 non-profit and designated private sector housing units, including 1,096 units for physically and mentally disabled persons. The provincial government contributed $21 million to the commission in 1989, while the Canada Mortgage and Housing Corporation contributed $31 million.

Provincial Rental Housing Corporation

The Provincial Rental Housing Corporation, acquired by the provincial government in 1973 and incorporated under the *Company Act*, holds all public rental housing and some non-profit housing projects on behalf of the government. At December 31, 1989, the corporation, which is self-supporting, had a net investment of $69 million in these rental properties.

Provincial Capital Commission

The mandate of the Provincial Capital Commission is to protect and enhance the amenity values of the Capital Improvement District which includes the City of Victoria, the municipalities of Esquimalt and Oak Bay, the entire Saanich Peninsula and the Western Communities.

Of the 106 projects undertaken since 1956, over 30 have involved the Victoria Inner Harbour where investment has exceeded $4 million. Other projects of note include major parts of the Scenic Drive, the Gorge Waterway, Cuthbert Holmes Park, Bowker Creek, Colquitz River Park, Beacon Hill Park and rehabilitation of the Crystal Garden facility. Major ongoing responsibilities include operation of the Crystal Garden and stewardship of the former St. Ann's Academy campus.

British Columbia School Districts Capital Financing Authority

As the marketing agency for the capital funding requirements of school districts, this authority raised $102 million in the 1989/90 fiscal year. At March 31, 1990, there was $794 million in net debt outstanding, consisting of $707 million in guaranteed debt and $87 million in fiscal agency debt.

British Columbia Educational Institutions Capital Financing Authority

The authority is the marketing agency for the capital funding requirements of universities, colleges and provincial institutes. Borrowing of $77 million was undertaken in the 1989/90 fiscal year. At March 31, 1990, there was $425 million in net debt outstanding, consisting of $344 million in guaranteed debt and $81 million in fiscal agency debt.

British Columbia Regional Hospital Districts Financing Authority

As the marketing agency for the capital funding requirements of regional hospital districts, this authority raised $98 million in 1989/90. At March 31, 1990, there was $789 million in net debt outstanding, consisting of $677 million in guaranteed debt and $112 million in fiscal agency debt.

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Table A1.1 Components of British Columbia Population Change

Year	Net Migration			Natural Increase			Total Population Increase	Population[1] – End of Period (December 31)
	Interprovincial	International	Total	Births	Deaths	Total		
	(number)							(thousands)
1962	7,505	585	8,090	38,128	14,912	23,216	31,306	1,686.0
1963	11,863	1,768	13,631	37,478	15,029	22,449	36,080	1,728.0
1964	18,611	3,991	22,602	35,897	16,051	19,846	42,448	1,779.0
1965	30,955	8,914	39,869	33,669	15,784	17,885	57,754	1,848.0
1966	36,395	17,709	54,104	32,502	16,290	16,212	70,316	1,926.0
1967	18,969	19,813	38,782	32,899	16,170	16,729	55,511	1,988.0
1968	17,004	14,682	31,686	33,687	16,828	16,859	48,545	2,042.0
1969	25,903	14,456	40,359	35,383	17,377	18,006	58,365	2,107.0
1970	22,579	13,666	36,245	36,861	17,020	19,841	56,086	2,168.0
1971	25,034	10,016	35,050	34,852	17,783	17,069	52,119	2,223.6
1972	24,927	10,925	35,852	34,563	18,021	16,542	52,394	2,280.2
1973	30,537	16,553	47,090	34,352	18,095	16,257	63,347	2,349.8
1974	22,655	23,148	45,803	35,450	19,177	16,273	62,076	2,418.3
1975	– 2,864	18,961	16,097	36,281	19,151	17,130	33,227	2,457.1
1976	– 1,490	11,079	9,589	35,848	18,788	17,060	26,649	2,485.5
1977	15,507	7,463	22,970	36,691	18,596	18,095	41,065	2,527.1
1978	20,698	4,985	25,683	37,231	19,058	18,173	43,856	2,572.1
1979	33,241	10,617	43,858	38,432	19,204	19,228	63,086	2,636.4
1980	40,165	19,170	59,335	40,104	19,371	20,733	80,068	2,717.7
1981	19,885	16,336	36,221	41,474	19,857	21,617	57,838	2,774.1
1982	– 2,019	11,949	9,930	42,747	20,707	22,040	31,970	2,802.7
1983	4,029	7,347	11,376	42,919	19,827	23,092	34,468	2,833.8
1984	3,505	5,813	9,318	43,911	20,686	23,225	32,543	? 863.0
1985	– 3,199	5,116	1,917	43,127	21,302	21,825	23,742	2,883.4
1986	910	4,998	5,908	41,967	21,213	20,754	26,662	2,908.7
1987	17,618	12,655	30,273	41,814	21,814	20,000	50,273	2,958.9
1988	29,007	18,122	47,129	42,930	22,546	20,384	67,513	3,026.4
1989	39,459	19,971	59,430	42,590	22,760	19,830	79,260	3,105.7

[1] Components may not add to end of period population totals— Statistics Canada has revised some total population figures, but not individual components.
Source: Statistics Canada.

Table A1.2 Summary Table of Economic Activity for British Columbia

	Units	1974	1975	1976	1977	1978
Annual aggregate indicators						
Population (June 1)	(thousands)	2,376	2,433	2,467	2,499	2,542
Gross domestic product (at market prices)	($ millions)	17,437	19,486	22,990	25,647	28,732
Personal income	($ millions)	13,783	16,135	18,488	20,691	23,266
Capital investment	($ millions)	4,096	4,423	5,197	5,593	6,201
Business incorporations	(number)	9,766	10,621	12,642	13,509	15,215
Labour statistics						
Labour force	(thousands)	1,040	1,087	1,117	1,148	1,202
Employment	(thousands)	976	995	1,021	1,050	1,103
Unemployment rate	(per cent)	6.2	8.5	8.6	8.5	8.3
Prices and earnings						
Consumer price index (British Columbia)	(1986 = 100)	n.a.	n.a.	n.a.	n.a.	n.a.
Consumer price index (Vancouver)	(1986 = 100)	40.8	45.4	49.7	53.3	57.4
B.C. export commodity price index	(1981 = 100)	54.3	59.7	66.2	75.2	87.4
Average weekly earnings	($)	178.68	204.96	231.30	253.23	268.62
Wages and salaries	($ millions)	8,912	10,437	12,020	13,512	14,618
Other indicators						
B.C. merchandise exports	($ millions)	4,177	3,872	5,270	6,308	7,558
Imports through B.C. customs ports	($ millions)	2,875	2,589	3,057	3,527	4,492
Manufacturing shipments	($ millions)	7,411	7,326	8,856	10,060	12,235
Retail sales	($ millions)	5,432	5,938	6,675	7,284	8,227
Housing starts	(number)	31,420	34,152	37,727	32,358	28,618
Non-residential building permits	($ millions)	497	568	690	701	698
U.S. housing starts	(thousands)	1,338	1,160	1,538	1,987	2,020
Tourism revenue	($ millions)	869	970	1,180	1,345	1,552
Commodity data						
Lumber production	(thousand m^3)	20,702	17,626	25,356	28,407	29,603
Pulp production	(thousand tonnes)	5,272	3,951	5,347	4,877	5,382
Newsprint, paper and paperboard	(thousand tonnes)	1,947	1,490	1,963	1,993	2,163
Coal production	(tnousand tonnes)	7,757	8,925	7,538	8,424	9,464
Farm cash receipts	($ millions)	411	429	483	524	596
Petroleum and natural gas production	($ millions)	233	321	421	550	569
Landed value of fish products	($ millions)	101	80	142	168	251

[1] Includes some estimates.
[2] Due to survey and methodology changes, 1989 is not comparable to previous years.
n.a.: not available.

1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989[1]	Change 1988–1989
											(per cent)
2,589	2,666	2,744	2,788	2,814	2,848	2,870	2,889	2,925	2,980	3,053	2.5
33,360	38,239	44,691	46,115	48,151	51,119	54,499	57,050	62,295	68,216	74,979	9.9
26,422	31,057	36,960	40,405	41,666	43,690	46,487	48,677	52,740	57,231	63,656	11.2
7,451	9,519	11,885	10,102	9,346	8,787	10,189	9,576	10,781	12,710	15,730	23.8
17,616	21,380	23,368	11,431	13,786	14,050	15,578	17,064	18,691	18,703	21,817	16.6
1,239	1,301	1,361	1,367	1,380	1,396	1,420	1,451	1,482	1,514	1,578	4.2
1,144	1,213	1,270	1,202	1,190	1,191	1,220	1,270	1,306	1,358	1,435	5.7
7.6	6.8	6.7	12.1	13.8	14.7	14.1	12.5	11.9	10.3	9.1	—
62.2	68.0	77.7	85.9	90.5	94.2	97.1	100.0	103.0	106.7	111.5	4.5
61.9	67.7	77.3	85.5	90.2	93.8	96.8	100.0	103.1	106.8	111.5	4.4
105.2	102.0	100.0	99.8	104.9	108.4	105.6	112.6	118.2	128.2	133.2	3.9
291.70	324.12	362.93	397.17	425.40	429.69	441.56	444.02	453.42	466.52	491.63	5.4
16,547	19,557	22,748	23,505	23,737	24,360	26,073	27,288	29,714	32,637	36,799	12.8
9,513	9,654	9,153	8,877	9,925	11,653	12,308	12,707	15,690	17,377	17,762	2.2
5,543	6,300	7,954	6,256	6,450	7,827	9,292	11,018	10,946	12,808	13,888	8.4
14,631	15,896	16,782	15,647	16,994	17,996	19,858	20,240	23,374	25,196	25,877	2.7
9,195	10,572	12,000	11,766	12,257	13,005	14,304	15,567	17,116	18,609	20,513	10.2
27,345	37,546	41,585	19,807	22,607	16,169	17,969	20,687	28,944	30,487	38,894	27.6
928	1,207	1,335	1,026	775	827	812	912	999	1,647	1,808	9.8
1,745	1,292	1,084	1,062	1,703	1,750	1,742	1,805	1,621	1,488	1,376	−7.5
1,630	1,800	2,020	2,009	2,155	2,325	2,406	3,172	2,942	3,367	3,974[2]	—
29,522	28,268	24,598	23,855	30,773	30,884	32,994	31,468	37,336	36,736	35,952	−2.1
5,324	5,717	4,813	4,759	5,752	5,371	6,029	6,354	7,060	7,170	6,990	−2.5
2,129	2,152	1,870	1,905	2,158	2,085	2,500	2,601	2,757	2,878	2,852	−0.9
10,570	10,824	11,753	10,646	11,480	20,740	22,613	20,852	22,587	24,813	25,520	2.8
673	779	877	962	915	996	1,031	1,069	1,083	1,140	1,164	2.1
896	828	885	913	899	998	1,050	778	732	735	944	28.4
333	184	236	241	210	243	378	405	441	533	409	−23.3

Table A1.3 British Columbia Nominal Gross Domestic Product by Industry (at factor cost)

Year	Agriculture	Fishing and Trapping	Forestry and Logging	Mining	Manufacturing	Construction	Utilities	Transportation Communication and Storage	Wholesale and Retail Trade	Finance Insurance and Real Estate	Community Business and Personal Services	Public Administration and Defence	Total[1]
							($ millions)						
1961	89	30	166	88	732	283	81	406	481	441	561	236	3,594
1962	95	36	202	114	826	294	90	417	498	457	592	250	3,872
1963	96	30	197	126	896	311	94	465	545	506	647	263	4,178
1964	97	36	226	130	968	379	105	512	604	561	714	278	4,611
1965	97	34	245	136	1,061	480	117	576	660	628	820	301	5,156
1966	110	44	257	163	1,145	549	128	647	740	681	975	340	5,779
1967	120	34	260	188	1,186	614	127	696	816	754	1,118	376	6,287
1968	138	41	300	193	1,338	599	143	746	865	882	1,212	432	6,888
1969	122	35	348	225	1,485	671	184	851	1,021	1,027	1,396	478	7,842
1970	127	44	324	232	1,384	685	200	924	1,112	1,108	1,560	529	8,229
1971	117	40	343	251	1,587	875	227	994	1,169	1,202	1,729	567	9,101
1972	134	54	401	321	1,891	906	251	1,121	1,372	1,395	1,978	632	10,455
1973	209	98	545	675	2,502	1,136	273	1,307	1,595	1,700	2,324	726	13,090
1974	214	69	563	651	2,824	1,381	307	1,637	2,059	2,019	2,942	902	15,567
1975	219	54	458	626	2,824	1,622	350	1,770	2,480	2,324	3,524	1,123	17,375
1976	249	99	692	813	3,465	1,912	454	2,000	2,705	2,699	4,068	1,325	20,480
1977	290	117	771	855	3,929	2,030	611	2,262	2,757	3,172	4,532	1,482	22,809
1978	338	187	897	943	4,631	2,052	668	2,527	3,059	3,693	5,081	1,631	25,704
1979	449	238	1,153	1,621	5,386	2,246	748	2,933	3,534	4,423	5,714	1,811	30,256
1980	501	125	1,179	1,480	5,620	2,994	903	3,371	4,514	5,108	6,924	2,028	34,746
1981	537	145	1,033	1,265	5,609	4,018	1,066	3,956	5,521	5,661	8,413	2,302	39,526
1982	586	153	951	1,210	4,823	3,426	1,145	4,266	5,474	6,483	9,512	2,693	40,720
1983	569	134	1,390	1,320	5,643	3,573	1,156	4,344	5,398	7,180	9,270	2,779	42,756
1984[2]	525	138	1,111	1,865	6,023	3,112	1,298	4,722	5,989	7,525	10,083	3,030	45,422
1985	533	236	1,206	1,698	6,480	3,435	1,774	5,150	6,032	8,471	10,615	2,965	48,595
1986	565	270	1,207	1,411	7,258	3,332	1,590	5,355	6,203	9,275	11,487	3,088	51,041
1987	592	292	1,447	1,636	8,501	3,675	1,873	5,654	6,882	10,241	12,173	3,175	56,143
1988	610	321	1,595	1,759	9,254	4,079	1,835	6,069	7,635	11,583	13,362	3,271	61,373
1989*	608	315	1,688	1,872	9,502	4,683	1,788	6,752	8,441	13,103	15,266	3,546	67,565

* Preliminary.

[1] Totals may not add due to rounding.

[2] Due to revised Statistics Canada methodology, estimates from 1984 to 1988 are not strictly comparable with prior years.

Note: Gross Domestic Product at factor cost equals Gross Domestic Product at market prices less indirect taxes and subsidies.

Source: Ministry of Finance and Corporate Relations.

Table A1.4 British Columbia Real Gross Domestic Product by Industry (at factor cost)

Year	Agriculture	Fishing and Trapping	Forestry and Logging	Mining	Manufacturing	Construction	Utilities	Transportation Communication and Storage	Wholesale and Retail Trade	Finance Insurance and Real Estate	Community Business and Personal Services	Public Administration and Defence	Total[1]
						(1981 $ millions)							
1961	330	207	618	457	2,550	1,047	213	1,012	1,328	1,843	2,659	1,143	13,311
1962	317	227	760	635	2,788	1,074	243	991	1,387	1,881	2,736	1,204	14,144
1963	327	181	724	703	2,960	1,102	256	1,125	1,495	1,988	2,904	1,221	14,773
1964	326	192	798	681	3,145	1,316	285	1,236	1,626	2,140	3,047	1,239	15,725
1965	312	164	825	745	3,362	1,575	314	1,353	1,790	2,314	3,341	1,263	16,858
1966	318	214	800	883	3,530	1,699	344	1,532	1,937	2,417	3,704	1,327	18,028
1967	353	167	761	1,017	3,572	1,827	339	1,636	2,081	2,425	3,876	1,399	18,831
1968	405	215	845	1,081	3,808	1,747	376	1,704	2,168	2,761	3,932	1,518	19,888
1969	360	142	931	1,260	4,086	1,854	474	1,966	2,478	3,247	4,196	1,618	21,574
1970	349	172	884	1,343	3,879	1,800	503	2,111	2,566	3,103	4,311	1,601	21,888
1971	360	153	918	1,404	4,206	2,123	572	2,131	2,631	3,390	4,537	1,526	22,710
1972	355	152	1,023	1,737	4,396	2,096	658	2,320	2,893	4,034	4,813	1,581	24,949
1973	413	168	1,167	1,941	4,986	2,231	758	2,646	3,284	4,795	5,153	1,698	27,871
1974	395	129	1,048	1,580	5,134	2,204	754	3,059	3,751	4,151	5,758	1,830	28,718
1975	440	86	745	1,274	4,493	2,313	779	2,903	3,956	3,934	5,904	2,039	28,426
1976	450	121	987	2,070	5,301	2,628	862	2,917	4,054	4,019	6,159	2,113	30,870
1977	448	139	1,022	1,644	5,476	2,778	960	3,070	4,031	4,385	6,475	2,137	32,363
1978	430	149	1,143	1,486	5,704	2,747	901	3,212	4,060	4,739	6,833	2,253	33,812
1979	507	112	1,242	1,897	5,716	2,839	935	3,602	4,174	5,465	7,018	2,270	35,974
1980	566	104	1,223	1,352	5,805	3,327	1,012	3,816	4,908	5,808	7,620	2,306	37,631
1981	537	145	1,033	1,265	5,609	4,018	1,066	3,956	5,521	5,661	8,413	2,302	39,526
1982	565	156	882	1,122	4,763	3,501	986	3,943	5,127	5,707	8,462	2,396	37,697
1983	575	153	1,308	1,168	5,145	3,700	980	3,853	4,853	5,702	7,883	2,386	38,125
1984[2]	530	120	1,060	1,606	5,459	2,947	1,056	4,138	5,071	5,885	8,245	2,428	39,334
1985	487	234	1,174	1,537	6,047	3,218	1,340	4,571	4,930	6,673	8,493	2,481	41,992
1986	465	181	1,044	1,588	6,060	3,001	1,180	4,648	4,735	7,240	8,612	2,555	42,210
1987	490	173	1,088	1,894	6,778	3,225	1,434	4,720	4,983	8,003	8,776	2,505	44,628
1988	516	203	1,088	1,884	6,940	3,425	1,415	4,874	5,185	8,670	9,310	2,497	46,160
1989*	500	210	1,164	1,985	6,859	3,713	1,394	5,184	5,465	9,245	10,204	2,493	48,167

* Preliminary.
[1] Totals may not add due to unallocated residual.
[2] Due to revised Statistics Canada methodology, estimates from 1984 to 1988 are not strictly comparable with prior years.
Note: Gross Domestic Product at factor cost equals Gross Domestic Product at market prices less indirect taxes and subsidies.
Source: Ministry of Finance and Corporate Relations.

Table A1.5 British Columbia Nominal Gross Domestic Product (at market prices)

Expenditure Based

Year	Durable Goods	Semi and Non-Durable Goods	Services	Government Expenditure	Government Investment	Residential Construction	Non-Residential Construction	Machinery and Equipment	Business Investment in Inventories	Net Exports
					($ millions)					
1961	313	1,302	1,023	576	186	202	265	263	38	(128)
1962	374	1,383	1,091	594	193	227	256	284	53	(92)
1963	419	1,453	1,188	644	187	266	271	310	48	(91)
1964	482	1,562	1,301	676	187	324	370	438	101	(233)
1965	553	1,689	1,475	741	252	387	535	567	95	(450)
1966	595	1,871	1,609	848	293	408	658	715	130	(589)
1967	645	2,004	1,839	962	306	468	719	664	6	(500)
1968	720	2,167	2,039	1,134	265	541	655	560	53	(344)
1969	827	2,394	2,283	1,314	286	649	718	668	180	(448)
1970	816	2,590	2,494	1,503	272	627	766	738	73	(562)
1971	944	2,843	2,739	1,646	370	788	1,024	909	106	(1,019)
1972	1,142	3,146	3,046	1,878	454	988	831	873	55	(534)
1973	1,425	3,656	3,449	2,147	466	1,245	1,007	1,065	340	(91)
1974	1,698	4,285	4,170	2,752	592	1,475	1,247	1,208	340	(330)
1975	1,853	4,749	4,955	3,429	659	1,621	1,387	1,281	(158)	(290)
1976	2,118	5,290	6,006	3,927	774	1,989	1,454	1,403	268	(239)
1977	2,342	5,888	6,700	4,372	854	2,003	1,630	1,615	104	139
1978	2,554	6,556	7,568	4,995	874	2,082	1,926	1,876	195	106
1979	2,859	7,436	8,558	5,522	868	2,341	2,515	2,505	578	179
1980	3,451	8,543	9,846	6,482	1,014	3,218	3,321	3,099	319	(1,054)
1981	3,948	10,026	11,724	7,737	1,168	4,069	3,973	3,671	(281)	(1,344)
1982	3,238	10,597	13,005	8,986	1,120	2,890	3,508	3,187	(1,110)	694
1983	3,481	11,023	14,288	9,481	1,233	2,984	3,720	2,337	(257)	(139)
1984	3,837	11,836	15,217	9,617	1,310	2,755	3,351	2,460	(27)	764
1985	4,280	12,482	16,568	9,726	1,667	2,885	3,236	2,769	49	838
1986	4,843	12,997	18,519	10,229	1,430	3,159	2,585	2,759	69	460
1987	5,307	13,778	19,498	10,763	1,427	3,935	2,726	3,359	162	1,341
1988	5,893	14,654	20,982	11,543	1,380	4,778	3,312	4,309	215	1,150
1989*	6,732	16,001	23,371	12,141	1,966	6,543	3,726	5,059	253	(813)

* Preliminary.
Source: Ministry of Finance and Corporate Relations.

Income Based

GDP Expenditure or Income	Wages Salaries and SLI[1]	Corporation Profits	Interest and MI[2]	Accrued Net Income of Farm Operators	Net Income of Non-Farm Unincorporated Business	Inventory Valuation Adjustment	Capital Consumption Allowances	Indirect Taxes Less Subsidies	Year
				($ millions)					
4,040	2,129	320	172	52	406	(4)	519	446	1961
4,383	2,263	393	193	57	414	(10)	562	491	1962
4,695	2,420	456	223	55	444	(19)	599	517	1963
5,208	2,675	513	249	54	471	(15)	664	597	1964
5,843	3,056	563	280	50	501	(32)	738	687	1965
6,538	3,493	608	297	60	517	(28)	832	759	1966
7,113	3,871	612	331	61	559	(42)	896	826	1967
7,789	4,179	721	382	73	621	(54)	966	901	1968
8,871	4,765	811	480	55	692	(42)	1,081	1,029	1969
9,317	5,168	627	478	52	722	(4)	1,186	1,088	1970
10,349	5,853	724	542	41	746	(109)	1,304	1,248	1971
11,880	6,681	972	664	52	813	(165)	1,438	1,425	1972
14,709	7,969	1,777	906	103	916	(266)	1,685	1,619	1973
17,437	9,667	1,994	1,160	90	960	(344)	2,040	1,870	1974
19,486	11,378	1,794	1,079	71	1,064	(289)	2,278	2,111	1975
22,990	13,171	2,184	1,494	83	1,240	(261)	2,569	2,510	1976
25,647	14,808	2,330	1,818	99	1,323	(385)	2,816	2,838	1977
28,732	16,121	2,988	2,358	112	1,528	(562)	3,159	3,028	1978
33,360	18,215	4,097	3,300	165	1,657	(822)	3,644	3,104	1979
38,239	21,466	3,925	3,698	164	1,847	(649)	4,295	3,493	1980
44,691	25,051	3,158	4,864	70	2,020	(646)	5,009	5,165	1981
46,115	26,070	1,800	5,102	137	2,432	(382)	5,561	5,395	1982
48,151	26,452	2,701	4,840	138	3,017	(288)	5,896	5,395	1983
51,119	27,203	3,287	5,512	142	3,301	(243)	6,220	5,697	1984
54,499	29,094	3,539	5,631	52	3,708	(163)	6,734	5,904	1985
57,050	30,335	4,086	5,552	136	4,022	(264)	7,174	6,009	1986
62,295	32,851	5,677	5,977	153	4,282	(317)	7,520	6,152	1987
68,216	35,583	6,300	7,085	176	4,517	(236)	7,948	6,843	1988
74,979	39,788	6,118	8,505	132	4,848	(315)	8,489	7,414	1989*

[1] SLI: Supplementary Labour Income.
[2] MII: Miscellaneous Investment Income.

Table A1.6 British Columbia Real Gross Domestic Product (at market prices)

Year	Durable Goods	Semi and Non-Durable Goods	Services	Government Expenditure	Government Investment	Residential Construction	Non-Residential Construction	Machinery and Equipment	Business Investment in Inventories	Net Exports	GDP Expenditure
					(1981 $ millions)						
1961	682	4,014	3,920	2,696	670	770	1,007	540	85	919	14,962
1962	811	4,214	4,068	2,790	682	862	954	595	175	1,146	15,940
1963	895	4,343	4,263	2,925	649	992	980	648	177	1,106	16,601
1964	1,027	4,616	4,478	2,965	636	1,156	1,330	879	418	670	17,761
1965	1,166	4,904	4,806	3,126	788	1,336	1,834	1,114	388	99	19,105
1966	1,233	5,217	5,116	3,352	850	1,346	2,134	1,362	493	(214)	20,396
1967	1,280	5,448	5,371	3,622	870	1,406	2,243	1,202	60	318	21,307
1968	1,383	5,679	5,555	4,046	744	1,541	2,013	974	170	922	22,493
1969	1,539	6,069	5,749	4,467	781	1,785	2,081	1,140	495	874	24,403
1970	1,485	6,438	5,984	4,671	702	1,615	2,118	1,208	243	916	24,784
1971	1,686	6,940	6,271	4,574	913	1,920	2,580	1,482	364	(263)	25,826
1972	2,002	7,328	6,651	4,919	1,075	2,176	1,985	1,363	217	1,277	28,354
1973	2,445	7,843	7,086	5,216	1,004	2,373	2,179	1,629	786	1,265	31,322
1974	2,653	8,147	7,745	5,734	1,031	2,449	2,247	1,678	639	367	32,175
1975	2,659	8,140	8,100	6,378	1,030	2,400	2,237	1,608	(399)	390	31,886
1976	2,893	8,481	8,851	6,503	1,133	2,761	2,212	1,660	611	172	34,654
1977	3,089	8,820	9,226	6,700	1,192	2,736	2,356	1,796	182	874	36,391
1978	3,212	8,996	9,824	7,248	1,140	2,753	2,608	2,012	275	287	37,796
1979	3,375	9,354	10,472	7,253	1,044	2,868	3,121	2,472	1,142	(1,061)	39,672
1980	3,748	9,726	11,044	7,548	1,120	3,506	3,681	3,136	303	(2,249)	41,413
1981	3,948	10,026	11,724	7,737	1,168	4,069	3,973	3,671	(281)	(1,344)	44,691
1982	3,076	9,549	11,614	7,953	1,045	3,027	3,260	2,969	(1,337)	1,536	42,692
1983	3,223	9,401	11,913	8,020	1,124	3,161	3,491	2,181	(286)	705	42,932
1984	3,488	9,581	12,291	7,970	1,161	2,847	3,062	2,319	(84)	1,630	44,265
1985	3,847	9,745	12,983	8,042	1,443	3,061	2,863	2,696	126	2,285	47,091
1986	4,174	9,912	13,952	8,161	1,243	3,367	2,216	2,705	63	1,382	47,176
1987	4,504	10,097	14,261	8,313	1,263	4,065	2,251	3,448	277	1,037	49,515
1988	4,864	10,382	14,877	8,662	1,223	4,604	2,608	4,606	208	(730)	51,305
1989*	5,395	10,967	15,781	8,706	1,673	5,600	2,798	5,437	536	(3,444)	53,450

* Preliminary.
Source: Ministry of Finance and Corporate Relations.

Table A1.7 Capital and Repair Investment

	1988[1]	1989[2]	1990[3]	Change 1988–1989	Change 1989–1990
		($ millions)		(per cent)	
Capital					
Housing	3,667.8	4,881.3	5,572.2	33.1	14.2
Transportation, communications and utilities	1,529.2	1,710.5	2,346.5	11.9	37.2
Trade, finance and commercial	2,521.1	2,880.7	3,103.8	14.3	7.7
Primary industries and construction industry	1,421.7	1,551.8	1,603.7	9.2	3.3
Institutions and government departments	1,527.1	2,147.5	2,540.5	40.6	18.3
Manufacturing	2,043.2	2,558.4	2,900.2	25.2	13.4
Total	12,710.1	15,730.2	18,066.9	23.8	14.9
Repair					
Housing	482.1	532.6	588.4	10.5	10.5
Transportation, communications and utilities	1,182.5	1,148.0	1,159.0	−2.9	1.0
Trade, finance and commercial	388.0	395.7	396.4	2.0	0.2
Primary industries and construction industry	902.4	942.3	1,002.1	4.4	6.3
Institutions and government departments	812.5	836.6	865.7	3.0	3.5
Manufacturing	1,168.8	1,175.6	1,217.4	0.6	3.6
Total	4,936.3	5,030.8	5,229.0	1.9	3.9
Total, Capital and Repair					
Housing	4,149.9	5,413.9	6,160.6	30.5	13.8
Transportation, communications and utilities	2,711.7	2,858.5	3,505.5	5.4	22.6
Trade, finance and commercial	2,909.1	3,276.4	3,500.2	12.6	6.8
Primary industries and construction industry	2,324.1	2,494.1	2,605.8	7.3	4.5
Institutions and government departments	2,339.6	2,984.1	3,406.2	27.5	14.1
Manufacturing	3,212.0	3,734.0	4,117.6	16.3	10.3
Total	17,646.4	20,761.0	23,295.9	17.7	12.2

[1] Actual.
[2] Preliminary actual.
[3] Revised intentions.
Source: Statistics Canada Catalogue 61-205.

Table A1.8 British Columbia Exports by Major Market and Selected Commodities, 1989

Commodity	United States	Japan	European Community	Other Markets	Total – All Countries
			($ millions)		
Lumber (softwood)	2,221.7	1,048.3	526.8	249.1	4,045.9
Pulp	819.7	824.6	1,350.2	683.5	3,678.0
Coal: anthracite, bituminous and lignite	3.6	1,035.2	119.7	354.7	1,513.2
Newsprint	700.1	15.9	45.4	207.2	968.6
Copper content in ores and concentrates	1.3	595.8	92.9	153.4	843.4
Unwrought aluminum	60.0	257.6	6.6	198.4	522.6
Unwrought zinc	321.4	30.8	24.2	63.3	439.7
Paper, paperboard – excluding newsprint	209.1	35.8	83.9	101.5	430.3
Machinery – excluding electrical	304.1	10.4	18.8	75.5	408.8
Whole salmon: fresh, chilled or frozen	93.8	145.0	34.2	9.8	282.8
Cedar shakes and shingles	187.7	0.4	3.3	2.1	193.5
Logs, poles and pulpwood	47.1	132.7	0.2	9.3	189.3
Chemicals and related products	78.9	48.2	6.0	54.1	187.2
Natural gas	185.0	–	–	–	185.0
Softwood siding, moulding, other milled	171.8	1.3	2.4	2.4	177.9
Salmon: canned, smoked, etc.	11.5	4.9	99.7	44.6	160.7
Pulpwood chips	31.9	126.8	–	–	158.7
Fish liver and roe	0.4	156.7	1.2	0.1	158.4
Trucks	134.6	0.1	–	6.5	141.2
Electricity	116.2	–	–	–	116.2
Electrical, electronic and communications products	72.6	2.2	4.6	33.2	112.6
Molybdenum ores and concentrates	0.9	38.6	44.4	28.2	112.1
Gold content in ores and concentrates	–	77.8	24.4	6.4	108.6
Asbestos	7.7	11.0	38.1	44.8	101.6
Plywood, softwood	5.6	12.9	77.2	2.5	98.2
Unwrought lead	28.7	5.4	11.3	24.3	69.7
Silver in ores and concentrates	–	55.2	10.9	3.4	69.5
Gasoline	63.5	2.1	–	–	65.6
Fuel oils	33.6	7.2	–	5.8	46.6
Silver metal	43.7	–	0.2	–	43.9
Plastics and articles thereof	36.5	1.2	0.7	4.7	43.1
Fillet, fish meat: fresh, chilled or frozen – including salmon	33.9	1.7	3.0	1.1	39.7
Whole fish: fresh, chilled or frozen – excluding salmon	16.6	18.8	2.0	2.2	39.6
Fruit and nuts	22.8	2.1	3.6	8.4	36.9
Apparel and accessories	32.9	0.9	0.4	0.3	34.5
Vegetables	9.3	10.5	5.7	5.4	30.9
Zinc content in ores and concentrates	–	22.6	–	6.8	29.4
Alcoholic beverages	25.9	1.0	0.8	0.2	27.9
Pork: fresh, chilled or frozen	12.6	11.4	–	1.0	25.0
Converted paper	20.0	0.7	0.2	1.2	22.1
Ships, boats and floating structures	14.0	2.7	1.4	2.4	20.5
Preparations of vegetables, fruits and nuts	2.5	0.8	3.3	11.5	18.1
Cement and clinker	13.7	–	0.3	1.4	15.4
Meat: prepared or preserved	7.7	0.4	0.3	0.3	8.7
Beef and veal: fresh, chilled or frozen	2.0	5.9	–	0.2	8.1
Water and soft drinks	6.1	1.7	–	–	7.8
Lead in ores and concentrates	1.2	5.0	0.1	–	6.3
Preparations of cereals	4.2	0.3	0.1	0.2	4.8
Fish: canned, smoked, etc. – excluding roe and salmon	0.2	2.1	0.4	1.3	4.0
Gold metal	–	–	0.3	0.2	0.5
Poultry: fresh, chilled or frozen	0.2	–	–	0.2	0.4
Other	1,024.2	321.4	83.7	279.4	1,708.7
Total[1]	7,242.3	5,094.0	2,732.7	2,692.9	17,761.9

Note: Exports are estimated through all Canadian customs ports.
[1] Totals may not add due to rounding.
Source: Ministry of Finance and Corporate Relations.

Table A1.9 British Columbia Exports by Major Market and Selected Commodity Groups, 1989

Commodity Group	United States		Japan		European Community		Other Markets		Total — All Countries	
	($ millions)	(per cent)	($ millions)	(per cent)	($ millions)	(per cent)	($ millions)	(per cent)	($ millions)	(per cent)
Pulp, wood chips and paper	1,780.8	24.6	1,003.7	19.7	1,479.7	54.2	993.4	36.9	5,257.6	29.6
Lumber and other wood	2,633.9	36.4	1,195.6	23.5	609.7	22.3	265.7	9.9	4,704.9	26.5
Metallic minerals	457.0	6.3	1,088.8	21.4	215.2	7.9	186.2	6.9	1,947.2	11.0
Coal	3.6	0.0	1,035.2	20.3	119.7	4.4	354.7	13.2	1,513.2	8.5
Machinery and equipment	525.2	7.3	15.4	0.3	24.8	0.9	117.8	4.4	683.2	3.8
Fisheries	156.3	2.2	329.2	6.5	140.5	5.1	59.1	2.2	685.1	3.9
Agri-food	93.2	1.3	33.9	0.7	13.7	0.5	27.6	1.0	168.4	0.9
Other	1,592.3	22.0	392.2	7.7	129.4	4.7	688.4	25.6	2,802.3	15.8
Total[1]	7,242.3	100.0	5,094.0	100.0	2,732.7	100.0	2,692.9	100.0	17,761.9	100.0

Note: Exports are estimated through all Canadian customs ports.
[1] Totals may not add due to rounding.
Source: Ministry of Finance and Corporate Relations.

APPENDIX 2

THE PROVINCE OF BRITISH COLUMBIA

PRELIMINARY UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1990

This section includes preliminary unaudited financial information of the government of the Province of British Columbia for the year ended March 31, 1990. It is based on financial statements prepared by the Comptroller General from the accounts of the government.

The accounts of the government are subject to examination by the Auditor General who is required to report annually to the legislative assembly on the financial statements of the government. The Report of the Auditor General on the complete financial statements for the year ended March 31, 1990 will be included in the annual Public Accounts which will be available after submission to the legislative assembly.

Government Accounting Policies

A full statement of the provincial government's accounting policies is contained in the Public Accounts. The most important features of the policies can be summarized as follows:

- The main operating account for 1989/90 is the General Fund.
- All revenue and expenditure are recorded on an accrual basis of accounting, with certain limited exceptions.
- Assets are recorded on the government's balance sheet only to the extent that they represent financial claims by the government. Similarly, liabilities are recorded only if they represent financial claims against the government. Payments to acquire fixed assets are recorded as expenditure.

Government Accounts

The General Fund, Budget Stabilization Fund and Privatization Benefits Fund comprise all money over which the legislature has the power of appropriation. The General Fund includes the principal operating accounts and Special Accounts of the provincial government. Special Accounts are statutory appropriations established by the legislature to fund specific programs, which may extend over several fiscal years. The Budget Stabilization Fund was established effective March 31, 1988 and consists of certain revenues and money set aside using General Fund surpluses and excess revenue. The Privatization Benefits Fund was established effective April 1, 1988 and holds in perpetuity the net proceeds of assets disposed of through the privatization program in order to produce revenue for the benefit of the province. Financial activities of the General Fund, Budget Stabilization Fund, and Privatization Benefits Fund are combined in the General Fund and Special Funds statements.

In this section, transactions of the General Fund are classified as either operating or financing and working capital transactions. Operating transactions include direct expenditure on goods and services, transfer payments and grants, as well as revenue from taxation, royalties, fees and licences, contributions from government enterprises and payments from the federal government. Various adjustments, such as valuation allowances and other one time accounting adjustments, are included in operating revenue and expenditure. The excess (shortfall) of General Fund revenue over expenditure represents the annual surplus (deficit) of the General Fund. Financing and working capital transactions represent either a source or use of funds. They do not cause a change in the annual surplus (deficit) but only a change in the composition of the provincial government's assets and liabilities.

The net equity (net deficiency) of the provincial government's General Fund and Special Funds is the difference between the provincial government's financial assets and its financial liabilities. The annual surplus (deficit) on transactions of the General Fund and Special Funds is credited to (charged against) net equity (net deficiency).

Restatement of Prior Years' Amounts

Comparative figures for expenditure and revenue for prior years have been restated to conform with the accounting policy changes made in 1989/90. In most cases, these adjustments have had no effect on the operating results or fund balances as previously reported.

Beginning in 1989/90, all revenue valuation allowances, such as provisions for doubtful accounts, are recorded as expenditure. Previously, certain valuation allowances were deducted from revenue.

Table A2.1 General Fund and Special Funds Balance Sheet at March 31, 1990 (Unaudited)

	1990	1989
ASSETS	($ thousands)	
Cash and temporary investments	400,412	678,128
Accounts receivable	1,025,692	930,302
Inventories	54,862	68,442
Investments in and amounts due from Crown corporations and agencies	663,556	618,580
Loans, advances and other investments	774,755	591,610
Mortgages receivable	135,460	417,680
Fiscal Agency Loan Program	4,913,668[1]	3,811,274
Other assets	24,907	30,427
	7,993,312	**7,146,443**
LIABILITIES		
Accounts payable and accrued liabilities	1,069,158	1,024,711
Due to Crown corporations, agencies and trust funds	196,906	161,538
Deferred revenue	269,258	252,719
Public debt issued for government purposes	4,208,568	4,919,246
Public debt issued to finance Fiscal Agency Loan Program	4,916,506[1]	3,813,058
	10,660,396	**10,171,272**
NET EQUITY (DEFICIENCY)		
General Fund	(4,687,923)	(4,824,499)
Budget Stabilization Fund	1,599,936	1,491,152
Privatization Benefits Fund	420,903	308,518
	(2,667,084)	**(3,024,829)**
TOTAL LIABILITIES AND NET EQUITY	**7,993,312**	**7,146,443**
GUARANTEED DEBT	**6,900,485**	**7,677,914**
TRUST FUNDS	**20,492,013**	**18,147,577**

[1] Includes cash held for relending of $55,191,000.

Table A2.2 General Fund and Special Funds Summary of Operating Transactions for the Fiscal Year Ended March 31, 1990 (Unaudited)

	Estimates 1990	Actual 1990	Actual 1989[1]
		($ thousands)	
General Fund:			
Total Revenue	12,987,000	13,434,796	12,209,967
Transfer (to) from Budget Stabilization Fund	500,000	52,204[2]	(591,917)
General Fund Revenue	13,487,000	13,487,000	11,618,050
Operating Expenditure	13,362,000	13,189,436[1]	11,782,791
Interest payments to Budget Stabilization Fund	125,000	160,988	77,330
Lottery funds transferred to Budget Stabilization Fund	—	—	79,000
General Fund Expenditure	13,487,000	13,350,424	11,939,121
General Fund Surplus (Deficit)	—	136,576	(321,071)
Budget Stabilization Fund:			
Opening balance	1,433,900	1,491,152	742,905
Transfer (to) from General Fund Revenue	(500,000)	(52,204)	591,917
Interest earnings	125,000	160,988	77,330
Lottery funds transferred from General Fund	—	—	79,000
Closing balance	1,058,900	1,599,936	1,491,152
Privatization Benefits Fund:			
Opening balance	302,000	308,518	—
Privatization proceeds	20,000	84,923	308,518
Investment income	—	39,055	12,928
Investment income transferred to General Fund	—	(11,593)	(12,928)
Closing balance	322,000	420,903	308,518

[1] Restated to include valuation allowances and other one-time accounting adjustments.
[2] Includes the budgeted transfer of $500 million, largely offset by excess revenue of $448 million.

Table A2.3 General Fund and Special Funds Financing Summary (Unaudited)

	Estimates 1990	Actual 1990	Actual 1989
		($ thousands)	
Financial Requirements:			
General Fund Deficit (Surplus)	—	(136,576)	321,071
Budget Stabilization Fund (increase) decrease	375,000	(108,784)	(748,247)
Privatization Benefits Fund (increase) decrease	(20,000)	(112,385)	(308,518)
Net disbursements (receipts) from financing and working capital transactions	(301,000)	(75,217)	76,493
Total Financial Requirements	**54,000**	**(432,962)**	**(659,201)**
Financial Sources:			
Net borrowing (retirement) for government purposes	(250,000)	(710,678)	(97,501)
Decrease (increase) in cash and temporary investments	304,000	277,716	(561,700)
Total Financial Sources	**54,000**	**(432,962)**	**(659,201)**

Table A2.4 General Fund Revenue and Expenditure for the Fiscal Year Ended March 31, 1990 (Unaudited)

	Estimates 1990	Actual 1990	Actual 1989
REVENUE		($ thousands)	
Taxation	7,633,000	7,968,642	6,973,306
Natural resources	1,209,000	1,249,529	1,271,117
Other	1,426,000	1,583,607	1,408,191
Contributions from government enterprises	542,000	532,455	447,472
Contributions from the federal government	2,177,000	2,100,563	2,109,881
Total Revenue	12,987,000	13,434,796	12,209,967
Transfer (to) from Budget Stabilization Fund	500,000	52,204	(591,917)
Total General Fund Revenue	**13,487,000**	**13,487,000**	**11,618,050**
EXPENDITURE[1]			
Legislation	17,478	17,641	15,922
Auditor General	5,725	5,641	5,048
Ombudsman	2,766	2,741	2,650
Office of the Premier and Executive Council Operations	3,531	3,346	2,970
Advanced Education, Training and Technology	991,810	986,000	912,445
Agriculture and Fisheries	104,465	99,141	90,092
Attorney General	226,348	248,755	204,848
Crown Lands	43,127	66,926	51,764
Education	2,224,278	2,219,602	1,979,231
Energy, Mines and Petroleum Resources	36,364	33,068	28,986
Environment	120,886	115,010	87,005
Finance and Corporate Relations	72,549	84,236	95,482
Forests	557,925	538,157	480,504
Government Management Services and Minister Responsible for Women's Programs	34,741	28,641	45,025
Health	4,309,118	4,371,657	3,927,978
International Business and Immigration	32,457	31,305	27,557
Labour and Consumer Services	77,408	75,635	62,356
Municipal Affairs, Recreation and Culture	362,253	329,537	292,839
Native Affairs	5,118	8,251	2,336
Parks	34,966	34,262	32,102
Provincial Secretary	22,474	29,718	20,232
Regional and Economic Development	77,471	74,439	62,797
Social Services and Housing	1,609,716	1,571,713	1,463,042[2]
Solicitor General	331,524	334,146	298,759
Tourism	22,784	22,697	22,900
Transportation and Highways	1,198,395	1,198,386	825,910
Other Appropriations:			
Management of Public Funds and Debt	651,400	674,068	611,930
Contingencies	50,000	23,820	22,019
New Programs	45,000	8,584	60,795
Lottery Fund Special Account	182,000	109,993	164,357
South Moresby Implementation — Forestry Compensation	32,923	308	975
Other[3]	—	3,000	38,265
Total General Fund Expenditure	**13,487,000**	**13,350,424**	**11,939,121**

[1] Expenditure figures for 1988/89 and budget figures for 1989/90 have been restated to reflect the government structure as of March 31, 1990.
[2] Expenditure figures for 1988/89 include an accounting adjustment of $31.4 million for social assistance grants paid in March 1989 for April 1989 costs.
[3] Includes certain valuation and other accounting adjustments.

Table A2.5 General Fund Revenue by Source for the Fiscal Year Ended March 31, 1990 (Unaudited)

Source	Estimates	Actual
	($ thousands)	
Taxation Revenue		
Personal income[1]	3,215,000	3,451,570
Corporation income[1]	744,000	666,300
Social service	1,852,000	1,985,665
Fuel	514,000	500,023
Tobacco	316,000	314,896
Property — business (school purpose)	535,000	524,816
Property — rural area	51,000	50,768
Property purchase	248,000	317,371
Corporation capital[1]	17,000	4,355
Insurance premium	86,000	95,040
Hotel room	49,000	53,257
Horse racing	6,000	6,122
Succession and gift	—	114
Valuation allowance[2]	—	(1,655)
Total Taxation Revenue	7,633,000	7,968,642
Natural Resource Revenue		
Petroleum and Natural Gas		
Natural gas royalties	73,000	62,834
Permits and fees[3]	100,000	121,549
Petroleum royalties	44,000	42,835
	217,000	227,218
Minerals		
Mining tax	2,000	3,186
Mineral resource tax	38,000	36,994
Mineral land tax	12,000	12,262
Coal, minerals and metals royalties	23,000	12,758
Miscellaneous mining receipts	9,000	8,323
	84,000	73,524
Forests		
Logging tax	45,000	45,684
Timber sales	395,000	451,850
Small Business Forest Enterprise Program	152,000	147,291
Timber royalties	44,000	42,215
Forest scaling fees	2,000	2,723
Miscellaneous forests receipts	7,800	7,513
	646,000	697,276
Other		
Water rentals and recording fees	247,000	236,103
Wildlife Act — fees and licences	15,000	13,759
	262,000	249,862
Valuation allowance[2]	—	1,649
Total Natural Resource Revenue	1,209,000	1,249,529

Table A2.5 General Fund Revenue by Source for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Source	Estimates	Actual
Other Revenue	($ thousands)	
Fees and Licences		
Medical Service Plan premiums	612,000	641,033
Lottery Fund Special Account	200,000	195,798
Motor vehicle licences and permits	175,000	182,788
Real estate earnings of the Crown Land and Social Housing Special Accounts	43,000	59,990
Corporate, central and mobile home registry fees	27,000	26,661
Land registry fees	28,000	25,146
Farm Income Assurance Fund Special Account (producer premiums and interest)	20,000	17,049
Coquihalla highway tolls	19,000	21,238
Filing fees — Court Services	14,500	14,803
Ambulance service fees	11,000	10,958
Safety inspection fees	10,000	11,155
Public gaming licences and permits	7,000	8,848
Fire Service Act	6,000	5,731
Campsite permits and park use	3,000	2,312
Liquor Licensing Branch — permits and fees	5,000	4,824
Vital statistics fees	6,000	6,144
Hearing aid equipment	4,000	2,507
Property tax collection fees	3,500	3,376
Heritage site and museum attractions	2,500	2,097
Insurance, brokers and real estate fees	1,000	1,324
Sheriff's fees	1,000	1,060
Public health inspection fees	1,000	1,275
Agricultural licences	1,000	1,015
Miscellaneous licences and permits	18,500	24,978
	1,219,000	1,272,110
Income from investments	116,000	168,020
Miscellaneous		
Fines and penalties	28,000	44,724
Maintenance of children	18,500	16,914
Other maintenance receipts	200	408
Insurance claim receipts	14,000	12,422
Municipal and other governments	6,300	4,726
Other miscellaneous	24,000	61,614
	91,000	140,808
Valuation allowance[2]	—	2,669
Total Other Revenue	1,426,000	1,583,607

Table A2.5 General Fund Revenue by Source for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Source	Estimates	Actual
	($ thousands)	
Contributions from Government Enterprises		
Liquor Distribution Branch — net income	413,000	419,598
British Columbia Hydro and Power Authority — dividend	102,000	101,149
British Columbia Railway Company — dividend	10,000	10,308
British Columbia Buildings Corporation — dividend	17,000	1,400
Total Contributions from Government Enterprises	542,000	532,455
Contributions from the Federal Government		
Established Programs Financing	1,303,000	1,239,750
Canada Assistance Plan	690,000	686,492
National Training Act	27,000	31,739
Economic development	47,000	42,036
Transportation and highways	27,500	21,422
Public Utilities Income Tax Transfer Act	18,000	9,771
Statutory subsidies	2,500	2,516
Reciprocal Taxation Agreement	21,000	21,479
Other payments	41,000	45,358
Total Contributions from the Federal Government	2,177,000	2,100,563
Total Revenue	12,987,000	13,434,796
Transfer (to) from Budget Stabilization Fund	500,000	52,204
Total General Fund Revenue	**13,487,000**	**13,487,000**

[1] Personal and corporation income tax revenues are recorded after deducting tax credits of $28,279,000 and $11,158,000, respectively. These tax credits are for foreign taxes, logging taxes, venture capital, political contributions, low income tax rebates and royalty tax rebates.

[2] Beginning in 1989/90, revenue valuation allowances, such as provisions for doubtful accounts, are recorded as expenditure adjustments. Previously, these allowances were deducted from revenue.

[3] Petroleum and Natural Gas Permits and Fees are net of offsets of $853,000 allowed under section 68 of the *Petroleum and Natural Gas Act*.

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited)

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Legislation					
1	Legislation	17,477,838				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, sec. 64)		163,203	17,641,041	17,641,041	
		17,477,838	**163,203**	**17,641,041**	**17,641,041**	
	Auditor General					
2	Auditor General	**5,725,283**		**5,725,283**	**5,640,952**	**84,331**
	Ombudsman					
3	Ombudsman	**2,765,661**		**2,765,661**	**2,741,262**	**24,399**
	Office of the Premier and Executive Council Operations					
4	Premier's Office and Executive Council Operations	**3,531,225**		**3,531,225**	**3,346,085**	**185,140**
	Ministry of Advanced Education, Training and Technology					
5	Minister's Office	265,076		265,076	261,063	4,013
6	Ministry Operations	991,407,618				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to the Ministry of Government Management Services and Minister Responsible for Women's Programs		(1,031,774)			
	—Transfer to the Ministry of Regional and Economic Development		(3,500,000)	986,875,844	981,137,410	5,738,434
7	Science and Technology Development Subsidiary Agreement (ERDA)	3,100,000		3,100,000	3,032,699	67,301
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Solicitor General (Vote 68)		1,568,654	1,568,654	1,568,654	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Employment and Immigration Canada					
	— *Patent Act*					
		994,772,694	**(2,963,120)**	**991,809,574**	**985,999,826**	**5,809,748**
	Ministry of Agriculture and Fisheries					
8	Minister's Office	249,374		249,374	244,713	4,661
9	Ministry Operations	68,496,871		68,496,871	68,032,027	464,844
10	Milk Board	378,187		378,187	377,871	316
11	Provincial Agricultural Land Commission	1,330,024		1,330,024	1,241,252	88,772
12	Agri-Food Regional Development Subsidiary Agreement (ERDA)	14,000,000		14,000,000	11,639,303	2,360,697
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Interchange Canada Program					
	Cattle Horn Act (R.S.B.C. 1979, chap. 44, sec. 7) — Livestock Improvement		6,438	6,438	6,438	

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Special Accounts —					
	Special Accounts Appropriation and Control Act (S.B.C. 1988, chap. 26, sec. 5 (1)) — Farm Income Assurance Fund	40,000,000		40,000,000	34,634,749	5,365,251
	Livestock Protection Act (R.S.B.C. 1979, chap. 245, sec. 14) — Livestock Protection	11,000	2,237	13,237	13,237	
	Less transfer to the Farm Income Assurance Fund Special Account from Vote 9	(20,000,000)		(20,000,000)	(17,049,044)	(2,950,956)
		104,465,456	**8,675**	**104,474,131**	**99,140,546**	**5,333,585**
	Ministry of Attorney General					
13	Minister's Office	254,015		254,015	253,918	97
14	Ministry Operations	198,902,128				
	Statutory —					
	Crown Proceeding Act (R.S.B.C. 1979, chap. 86, sec. 14 (4))		22,193,463	221,095,591	221,071,165	24,426
15	Judiciary	20,926,891		20,926,891	20,925,069	1,822
	Statutory —					
	Unclaimed Money Act (R.S.B.C. 1979, chap. 418, sec. 4) — Payment of Claims		163,677	163,677	163,677	
	Public Trustee Amendment Act (S.B.C. 1989, chap. 11, sec. 13 (3)) — Office of the Public Trustee		1,461,842	1,461,842	1,461,842	
	Special Accounts —					
	Public Trustee Amendment Act (S.B.C. 1989, chap. 11, sec. 13 (3)) — Office of the Public Trustee	6,255,000	86,303	6,341,303	6,341,303	
	Land Title Act (R.S.B.C. 1979, chap. 219, sec. 274 (2)) — Land Titles Survey	9,626		9,626		9,626
	Less transfer to the Office of the Public Trustee Special Account from the *Public Trustee Amendment Act*		(1,461,842)	(1,461,842)	(1,461,842)	
		226,347,660	**22,443,443**	**248,791,103**	**248,755,132**	**35,971**
	Ministry of Crown Lands					
52	Minister's Office	298,377		298,377	245,488	52,889
53	Ministry Operations	36,128,219		36,128,219	36,122,827	5,392
54	Development Regions	1,475,463				
	Statutory —					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) — Transfer to the Ministry of Regional and Economic Development		(1,475,463)			
	Statutory —					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	— Employee Secondment					
	— T.R.I.M.					
	Special Accounts —					
	Ministry of Lands, Parks and Housing Act (R.S.B.C. 1979, chap. 277, sec. 7 (2)) — Crown Land	6,700,000	43,857,451	50,557,451	50,557,451	

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Less transfer from the Crown Land Special Account under the *Budget Measures Implementation Act*		(20,000,000)	(20,000,000)	(20,000,000)	
		44,602,059	**22,381,988**	**66,984,047**	**66,925,766**	**58,281**
	Ministry of Education					
16	Minister's Office	224,490		224,490	224,365	125
17	Ministry Operations	106,504,198		106,504,198	105,193,038	1,311,160
18	Public Schools Education	2,060,403,488		2,060,403,488	2,057,072,748	3,330,740
19	Independent Schools	57,145,917		57,145,917	57,112,454	33,463
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Status Indian Children Education					
	—Canadian Official Languages Program					
		2,224,278,093		**2,224,278,093**	**2,219,602,605**	**4,675,488**
	Ministry of Energy, Mines and Petroleum Resources					
20	Minister's Office	282,636		282,636	282,433	203
21	Ministry Operations	33,040,836		33,040,836	30,373,396	2,667,440
22	British Columbia Utilities Commission	10		10		10
23	Fort Nelson Indian Band Mineral Revenue Sharing Agreement	800,000		800,000	271,732	528,268
24	Mineral Development and Exploration Incentives	2,240,500		2,240,500	2,139,093	101,407
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (1) (c)) — Interest on Revenue Refunds		1,836	1,836	1,836	
		36,363,982	**1,836**	**36,365,818**	**33,068,490**	**3,297,328**
	Ministry of Environment					
55	Minister's Office	286,884		286,884	253,315	33,569
56	Ministry Operations	117,830,074		117,830,074	109,732,771	8,097,303
57	Cariboo Development Region	714,693				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) —Transfer to the Ministry of Regional and Economic Development		(714,693)			
	Statutory—					
	Environment Management Act (S.B.C. 1981, chap. 14, sec. 6 (1))					
	—Grand Forks		542,672	542,672	542,672	
	—Peace River District		31,388	31,388	31,388	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Cariboo Development Region/ Health					
	—Peace Canyon Fish Hatchery					
	—Kootenay River					
	—Golden Bear Mine access road					
	—Environment collection					
	—Fisheries information systems					

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Special Accounts —					
	Special Accounts Appropriation and Control Act (S.B.C. 1988, chap. 26, sec. 8)					
	— Habitat Conservation Fund	2,770,000	1,680,193	4,450,193	4,450,193	
		121,601,651	**1,539,560**	**123,141,211**	**115,010,339**	**8,130,872**
	Ministry of Finance and Corporate Relations					
25	Minister's Office	316,724		316,724	305,925	10,799
26	Ministry Operations	72,847,295				
	Statutory —					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	— Transfer to the Ministry of Municipal Affairs, Recreation and Culture		(8,881,809)	63,965,486	62,844,814	1,120,672
	Statutory —					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 14)					
	— Valuation Allowances		8,422,793	8,422,793	8,422,793	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 58 (1))					
	— Mortgage Assistance Program		2,075,000	2,075,000	2,075,000	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (1) (c))					
	— Interest on Revenue Refunds		2,213,341	2,213,341	2,213,341	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1))					
	— FICOM Implementation					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	— Transfer from the Ministry of Government Management Services and Minister Responsible for Women's Programs (Vote 32)		6,238,520	6,238,520	6,162,721	75,799
	Special Accounts —					
	Financial Administration Amendment Act (S.B.C. 1989, chap. 46, sec. 26.1 (5)) — Insurance and Risk Management Account		962,083	962,083	962,083	
	Low Interest Loan Assistance Revolving Fund Act (S.B.C. 1985, chap. 44, sec. 2) — Low Interest Loan Assistance Revolving Fund	1,329,000		1,329,000	852,010	476,990
	Softwood Lumber Products Export Charge Compensation Act (S.B.C. 1987, chap. 65, sec. 2 (3))					
	— Lumber Export Charge Compensation Fund		32,195,868	32,195,868	32,195,868	
	Home Conversion and Leasehold Loan Act (R.S.B.C. 1979, chap. 170, sec. 17 (1)) and *Home Purchase Assistance Act* (R.S.B.C. 1979, chap. 172, sec. 21 (1))					
	— Provincial Home Acquisition	700,000		700,000	397,656	302,344
	Less transfer to the General Fund from the Lumber Export Charge Compensation Fund		(32,195,868)	(32,195,868)	(32,195,868)	
		75,193,019	**11,029,928**	**86,222,947**	**84,236,343**	**1,986,604**

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Ministry of Forests					
27	Minister's Office	327,244		327,244	259,863	67,381
28	Ministry Operations	368,123,785		368,123,785	346,198,052	21,925,733
29	Fire Suppression Program	50,000,000				
	Statutory —					
	Forest Act (R.S.B.C. 1979, chap. 140, sec. 124 (4))		16,232,681	66,232,681	66,232,681	
30	Forest Resource Development Subsidiary Agreement (ERDA)	73,143,941		73,143,941	65,617,331	7,526,610
	Statutory —					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	— Mount Outram Recreation Trail					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (1) (c))					
	— Interest Revenue Refunds		9,313	9,313	9,313	
	Special Accounts —					
	Forest Act (R.S.B.C. 1979, chap. 140, sec. 87.1) — Small Business Forest Enterprise	62,900,000		62,900,000	57,692,495	5,207,505
	Special Accounts Appropriation and Control Act (S.B.C. 1988, chap. 26, sec. 7)					
	— Forest Stand Management	5,000,000		5,000,000	4,515,003	484,997
	South Moresby Implementation Account Act (S.B.C. 1988, chap. 60, sec. 4)					
	— South Moresby Implementation — Forest Replacement	3,430,000		3,430,000	2,632,328	797,672
	Less transfer to Forest Stand Management Fund Special Account from Vote 28	(5,000,000)		(5,000,000)	(5,000,000)	
		557,924,970	**16,241,994**	**574,166,964**	**538,157,066**	**36,009,898**
	Ministry of Government Management Services and Minister Responsible for Women's Programs					
31	Minister's Office	259,265		259,265	247,938	11,327
32	Ministry Operations	38,860,496				
	Statutory —					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	— Transfer to the Ministry of Finance and Corporate Relations		(6,238,520)			
	— Transfer to the Ministry of Tourism		(4,973,000)	27,648,976	27,273,333	375,643
33	Pensions and Employee Benefits Administration	10		10		10
34	Pensions and Employee Benefits Contributions	10		10		10
	Statutory —					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	— Transfer from the Ministry of Advanced Education, Training and Technology (Vote 6)		1,031,774	1,031,774	1,027,587	4,187

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 56)					
	—Expo 86 Wind-up		85,408	85,408	85,408	
	Inquiry Act (R.S.B.C. 1979, chap. 198, sec. 18)					
	—Royal Commission on Education		6,400	6,400	6,400	
	Special Accounts—					
	Purchasing Commission Act (R.S.B.C. 1979, chap. 350, sec. 23.1 (3))					
	—Purchasing Commission Working Capital Account	5,800,000		5,800,000		5,800,000
		44,919,781	**(10,087,938)**	**34,831,843**	**28,640,666**	**6,191,177**
	Ministry of Health					
35	Minister's Office	333,960		333,960	270,807	63,153
36	Ministry Operations	2,936,389,521				
	Supplement — Special Warrant No. 1		50,420,000	2,986,809,521	2,984,529,050	2,280,471
37	Medical Services Commission and Pharmacare	1,372,394,289				
	Supplement — Special Warrant No. 2		18,749,000	1,391,143,289	1,386,857,706	4,285,583
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Reciprocal Agreements					
	—National Health Research and Development Program (NHRDP) Conference					
	—AIDS lab research					
		4,309,117,770	**69,169,000**	**4,378,286,770**	**4,371,657,563**	**6,629,207**
	Ministry of International Business and Immigration					
38	Minister's Office	317,646		317,646	313,627	4,019
39	Ministry Operations	23,333,991				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to the Ministry of Tourism		(444,600)	22,889,391	21,740,951	1,148,440
40	British Columbia Trade Development Corporation	9,250,068		9,250,068	9,250,068	
		32,901,705	**(444,600)**	**32,457,105**	**31,304,646**	**1,152,459**
	Ministry of Labour and Consumer Services					
41	Minister's Office	273,577		273,577	273,030	547
42	Ministry Operations	26,373,218		26,373,218	26,208,657	164,561
43	Prevention and Treatment of Substance Abuse	50,661,204		50,661,204	49,153,695	1,507,509
	Statutory—					
	Special Accounts—					
	Industrial Relations Act (R.S.B.C. 1979, chap. 212, sec. 123.1 (4)) — Productivity Fund	100,000		100,000		100,000
		77,407,999		**77,407,999**	**75,635,382**	**1,772,617**

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Ministry of Municipal Affairs, Recreation and Culture					
44	Minister's Office	311,570		311,570	296,395	15,175
45	Ministry Operations	61,833,550		61,833,550	61,821,564	11,986
46	Municipal Revenue Sharing	288,300,000		288,300,000	288,300,000	
47	Transit Services	182,240,633				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to the Ministry of Transportation and Highways		(182,240,633)			
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from the Ministry of Finance and Corporate Relations (Vote 26)		8,881,809	8,881,809	8,880,903	906
	Special Accounts—					
	Special Appropriations Act (S.B.C. 1982, chap. 40, sec. 2 (1))					
	—Downtown Revitalization		156	156	156	
	Revenue Sharing Act (R.S.B.C. 1979, chap. 368, sec. 3)					
	—Revenue Sharing Fund	286,200,000		286,200,000	253,704,900	32,495,100
	University Endowment Lands Act (R.S.B.C. 1979, chap. 420, sec. 3 (1)) — University Endowment Lands Administration	1,612,000	116,128	1,728,128	1,728,128	
	Special Accounts Appropriation and Control Act (S.B.C. 1988, chap. 26, sec. 3)					
	—British Columbia Cultural Fund	1,600,000		1,600,000	1,579,753	20,247
	Special Accounts Appropriation and Control Act (S.B.C. 1988, chap. 26, sec. 10) — Physical Fitness and Amateur Sports Fund	1,650,000	53,850	1,703,850	1,703,850	
	Special Appropriations Act (S.B.C. 1982, chap. 40, sec. 7 (1))					
	—Provincial Computerization of Libraries	164,010		164,010	120,911	43,099
	Less transfer to the Revenue Sharing Fund Special Account from Vote 46	(288,300,000)		(288,300,000)	(288,300,000)	
	Less transfer to the University Endowment Lands Administration Special Account from Vote 45		(300,000)	(300,000)	(300,000)	
		535,611,763	**(173,488,690)**	**362,123,073**	**329,536,560**	**32,586,513**
	Ministry of Native Affairs					
58	Minister's Office	279,458		279,458	244,638	34,820
59	Native Affairs	2,088,068		2,088,068	2,051,124	36,944
60	Development Regions	1,421,384				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to the Ministry of Regional and Economic Development		(1,421,384)			

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Statutory—					
	Indian Cut-off Lands Dispute Act (S.B.C. 1982, chap. 50, sec. 5)[1]					
	—Indian Cut-off Lands Dispute — Quatsino Indian Band		270,934	270,934	270,934	
	—Indian Cut-off Lands Dispute — Ohiaht Indian Band		3,854,993	3,854,993	3,854,993	
	Special Accounts—					
	Special Accounts Appropriation and Control Act (S.B.C. 1988, chap. 26, sec. 6)					
	—First Citizens' Fund	2,750,000		2,750,000	1,829,588	920,412
		6,538,910	**2,704,543**	**9,243,453**	**8,251,277**	**992,176**
	Ministry of Parks					
61	Minister's Office	290,010		290,010	288,613	1,397
62	Ministry Operations	34,676,286		34,676,286	33,973,245	703,041
63	Development Regions	1,558,755				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to the Ministry of Regional and Economic Development		(1,558,755)			
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Bedwell Lake trail					
	—Park enhancement					
	—Buttle Lake — Karst Creek					
		36,525,051	**(1,553,755)**	**34,966,296**	**34,261,858**	**704,438**
	Ministry of Provincial Secretary					
70	Minister's Office	260,357		260,357	256,624	3,733
71	Ministry Operations	38,971,271				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to the Ministry of Tourism		(16,757,844)	22,213,427	21,649,816	563,611
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Expo 86 Wind-up					
	—Canadian Broadcasting Corporation — Regional Records					
	Elections Act (R.S.B.C. 1979, chap. 103, sec. 191 (1))					
	—By-elections		532,849	532,849	532,849	
	—Electoral boundary redistribution		700,315	700,315	700,315	
	—Enumeration 1989		5,872,342	5,872,342	5,872,342	
	—*Elections Act* — General		666	666	666	
	—Miscellaneous Expenses		49,282	49,282	49,282	

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Inquiry Act (R.S.B.C. 1979, chap. 198, sec. 18)					
	—Royal Commission on Fullerton Inquiry		97,992	97,992	97,992	
	—Royal Commission on B.C. Tree Fruit Industry		120,039	120,039	120,039	
	—Royal Commission on Oakalla Prison		67	67	67	
	—Royal Commission — Watershed Inquiry		358,266	358,266	358,266	
	—Royal Commission on Health Care Costs		79,910	79,910	79,910	
		39,231,628	**(8,946,116)**	**30,285,512**	**29,718,168**	**567,344**
	Ministry of Regional and Economic Development					
48	Minister's Office	341,470		341,470	339,163	2,307
49	Ministry Operations	51,599,831				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to the Ministry of Tourism		(608,274)	50,991,557	50,420,088	571,469
50	Mainland/Southwest Development Region	1,169,199		1,169,199	1,036,031	133,168
51	Economic and Regional Development Subsidiary Agreements (ERDA)	14,848,500		14,848,500	9,537,605	5,310,895
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 14)					
	—Valuation allowances		4,145,786	4,145,786	4,145,786	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1))					
	—China Steel Phase A					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from the Ministry of Advanced Education, Training and Technology (Vote 6)		3,500,000	3,500,000	3,500,000	
	—Transfer from the Ministry of Crown Lands (Vote 54)		1,475,463			
	—Transfer from the Ministry of Environment (Vote 57)		714,693			
	—Transfer from the Ministry of Native Affairs (Vote 60)		1,421,384			
	—Transfer from the Ministry of Parks (Vote 63)		1,558,755	5,170,295	4,086,926	1,083,369
	Special Accounts—					
	Special Accounts Appropriation and Control Act (S.B.C. 1988, chap. 26, sec. 9 (1))					
	—Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund	1,450,000		1,450,000	1,373,359	76,641
		69,409,000	**12,207,807**	**81,616,807**	**74,438,958**	**7,177,849**

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Ministry of Social Services and Housing					
64	Minister's Office	301,553		301,553	289,487	12,066
65	Ministry Operations	1,577,739,736		1,577,739,736	1,550,936,717	26,803,019
66	British Columbia Home Program	10		10		10
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Employment Initiatives Projects					
	Budget Measures Implementation Act (S.B.C. 1989, chap. 1, sec. 9)					
	—Social Housing		20,000,000	20,000,000	20,000,000	
	Special Accounts—					
	Budget Measures Implementation Act (S.B.C. 1989, chap. 1, sec. 7)					
	— Social Housing	31,675,000		31,675,000	5,317,392	26,357,608
	Ministry of Lands, Parks and Housing Act (R.S.B.C. 1979, chap. 277, sec. 7 (2))					
	— Crown Land		15,169,475	15,169,475	15,169,475	
	Less transfer to the Social Housing Special Account under the *Budget Measures Implementation Act*		(20,000,000)	(20,000,000)	(20,000,000)	
		1,609,716,299	**15,169,475**	**1,624,885,774**	**1,571,713,071**	**53,172,703**
	Ministry of Solicitor General					
67	Minister's Office	248,681		248,681	248,461	220
68	Ministry Operations	329,890,771				
	Statutory—					
	Criminal Injury Compensation Act (R.S.B.C. 1979, chap. 83, sec. 2 (5))		2,742,886			
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to the Ministry of Advanced Education, Training and Technology		(1,568,654)	331,065,003	330,761,296	303,707
69	Emergency Assistance	2,403,500		2,403,500	1,131,909	1,271,591
	Statutory—					
	Police Act (R.S.B.C. 1979, chap. 331, sec. 7 (4))					
	—Video Camera Use Study		16,805	16,805	16,805	
	Inquiry Act (R.S.B.C. 1979, chap. 198, sec. 18) — Fullerton Inquiry		6,782	6,782	6,782	
	Flood Relief Act (R.S.B.C. 1979, chap. 138, sec. 2)					
	—Northwest B.C. flood		129,219	129,219	129,219	
	—Trail flood		128,243	128,243	128,243	
	—Southern B.C. flood		1,076,830	1,076,830	1,076,830	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Employee Secondment to Federal Government					
	Special Accounts—					
	Correction Act (R.S.B.C. 1979, chap. 70, sec. 16.2 (3))					
	—Corrections Work Program	550,000	96,056	646,056	646,056	
		333,092,952	**2,628,167**	**335,721,119**	**334,145,601**	**1,575,518**

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
	Ministry of Tourism					
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from the Ministry of Government Management Services and Minister Responsible for Women's Programs (Vote 32)		4,973,000			
	—Transfer from the Ministry of International Business and Immigration (Vote 39)		444,600			
	—Transfer from the Ministry of Regional and Economic Development (Vote 49)		608,274			
	—Transfer from the Ministry of Provincial Secretary (Vote 71)		16,757,844	22,783,718	22,696,579	87,139
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Tourism North					
	—Canada's West Marketplace					
	—Rendez Vous Canada					
	—World Travel Mart					
	—Infonetwork					
			22,783,718	**22,783,718**	**22,696,579**	**87,139**
	Ministry of Transportation and Highways					
72	Minister's Office	304,242		304,242	304,210	32
73	Ministry Operations	1,015,849,683		1,015,849,683	1,015,842,180	7,503
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from the Ministry of Municipal Affairs, Recreation and Culture (Vote 47)		182,240,633	182,240,633	182,239,363	1,270
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	—Revelstoke Project — Highway 23					
	—Elkford Bridge — Fording coal mine road					
		1,016,153,925	**182,240,633**	**1,198,394,558**	**1,198,385,753**	**8,805**
	Other Appropriations					
74	Management of Public Funds and Debt (Ministry of Finance and Corporate Relations)	651,400,000				
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 53)		22,668,261	674,068,261	674,068,261	
75	Contingencies (All Ministries) (Ministry of Finance and Corporate Relations)	50,000,000		50,000,000	23,819,656	26,180,344

Table A2.6 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1990 (Unaudited) — *Continued*

Vote No.	Description	Total Appropriations: Estimated for the 12 Months Ending March 31, 1990	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditures	Net Under Expenditure
		$	$	$	$	$
76	New Programs	45,000,000		45,000,000	8,583,739	36,416,261
	Statutory —					
	Special Accounts —					
	South Moresby Implementation Act (S.B.C. 1988, chap. 60, sec. 4) — South Moresby Implementation — Forestry Compensation	32,923,626		32,923,626	308,284	32,615,342
	Lottery Act (R.S.B.C. 1979, chap. 249, secs. 6 and 7) — Lottery Fund	182,000,000		182,000,000	109,992,523	72,007,477
		961,323,626	**22,668,261**	**983,991,887**	**816,772,463**	**167,219,424**
	Valuation and accounting adjustments		**3,000,000**	**3,000,000**	**3,000,000**	
	Total General Fund Expenditure 1990	**13,487,000,000**	**208,893,012**	**13,695,893,012**	**13,350,423,998**	**345,469,014**
	Summary					
	Voted Expenditure	13,122,720,738	64,000,494	13,186,721,232	13,025,996,795	160,724,437
	Statutory —					
	Special Accounts	677,579,262	94,219,800	771,799,062	588,718,751	183,080,311
	Special Warrants		69,169,000	69,169,000	64,553,778	4,615,222
	Various Acts		55,461,428	55,461,428	55,461,428	
	Less Inter-Account Transfers	(313,300,000)	(73,957,710)	(387,257,710)	(384,306,754)	(2,950,956)
	Total General Fund Expenditure 1990	**13,487,000,000**	**208,893,012**	**13,695,893,012**	**13,350,423,998**	**345,469,014**
	Total General Fund Expenditure 1989[2]	**11,835,000,000**	**378,303,415**	**12,213,303,415**	**11,939,120,683**	**274,182,732**

[1] Statutory accounts listed within the Ministry of Native Affairs that have been transferred under the *Constitution Act* (R.S.B.C. 1979, chap. 62, secs. 13 and 14).

[2] Includes one-time valuation and accounting adjustments of $47,110,256.

Table A2.7 General Fund Expenditure by Objects of Expenditure Classification (Grouped) for the Fiscal Year Ended March 31, 1990 (Unaudited)[1]

Ministry	Salaries and Benefits	Operating Costs	Asset Acquisitions	Grants and Contributions	Other Expenditures	Less: Recoveries	Total Expenditures
				($ thousands)			
Legislation	9,430	3,488	408	119	4,196		17,641
Auditor General	4,425	993	197	43		(17)	5,641
Ombudsman	2,061	647	33				2,741
Office of the Premier and Executive Council Operations	2,495	781	70				3,346
Advanced Education, Training and Technology	13,626	11,506	2,129	958,279	7,205	(6,745)	986,000
Agriculture and Fisheries	18,661	11,882	1,448	37,204	34,727	(4,781)	99,141
Attorney General	93,441	91,715	6,838	33,884	23,156	(279)	248,755
Crown Lands	19,435	15,977	1,671	1	30,558	(716)	66,926
Education	15,767	51,859	3,004	2,208,647		(59,675)	2,219,602
Energy, Mines and Petroleum Resources	17,425	14,349	2,839	1,023		(2,568)	33,068
Environment	50,322	54,841	9,859	1,957		(1,969)	115,010
Finance and Corporate Relations	45,864	27,038	4,968	1,590	14,462	(9,686)	84,236
Forests	144,028	360,247	32,104	7,009		(5,231)	538,157
Government Management Services and Minister Responsible for Women's Programs	32,823	19,808	3,585	60	1,945	(29,580)	28,641
Health	197,494	114,381	12,774	4,077,396	1,071	(31,459)	4,371,657
International Business and Immigration	6,696	11,219	1,224	12,883	2	(719)	31,305
Labour and Consumer Services	32,056	17,002	2,191	31,166		(6,780)	75,635
Municipal Affairs, Recreation and Culture	31,854	20,677	2,715	274,549		(258)	329,537
Native Affairs	1,225	668	24	2,208	4,126		8,251
Parks	15,760	15,806	2,793	66		(163)	34,262
Provincial Secretary	10,230	18,390	515	240	382	(39)	29,718
Regional and Economic Development	24,436	24,055	3,185	8,844	13,988	(69)	74,439
Social Services and Housing	160,859	63,437	10,010	1,320,225	20,302	(3,120)	1,571,713
Solicitor General	124,576	85,344	3,887	142,626	326	(22,613)	334,146
Tourism	3,255	9,425	165	10,311		(459)	22,697
Transportation and Highways	107,614	479,897	301,755	308,987	527	(394)	1,198,386
Other Appropriations	433	3,439	682	112,191	1,236,352	(533,324)	819,773
General Fund Expenditure	1,186,291	1,528,871	411,073	9,551,508	1,393,325	(720,644)	13,350,424
Comparative—1989 Expenditure	1,105,958	1,229,610	231,727	8,663,496	1,229,335	(521,005)	11,939,121

[1] Includes valuation and other one-time accounting adjustments.

Table A2.8 General Fund Revenue by Source for the Fiscal Years Ended March 31, 1986, 1987, 1988, 1989 and 1990 (Unaudited)

	1986	1987	1988	1989	1990
			($ thousands)		
Taxation revenue					
Personal income	2,073,088	2,248,096	2,789,965	2,995,339	3,451,570
Corporation income	323,481	280,647	473,407	600,270	666,300
Social service	1,451,761	1,540,776	1,463,087	1,716,709	1,985,665
Fuel	420,020	373,397	449,484	468,867	500,023
Tobacco	188,271	212,015	227,795	259,191	314,896
Property – business (school purpose)[1]	561,965	478,398	449,330	490,968	524,816
Property – rural area	38,204	35,799	42,741	44,666	50,768
Property purchase	–	669	140,130	248,559	317,371
Corporation capital	94,340	87,205	56,761	13,614	4,355
Insurance premium	25,295	34,681	54,215	82,323	95,040
Hotel room	27,657	41,484	40,028	45,392	53,257
Horse racing	7,184	6,720	6,682	5,748	6,122
Succession and gift	100	16	10	2	114
Valuation allowance[2]	25,830	14,642	6,182	1,658	(1,655)
Total Taxation Revenue	**5,237,195**	**5,354,545**	**6,199,817**	**6,973,306**	**7,968,642**
Natural resource revenue					
Minerals					
Petroleum and natural gas					
Natural gas royalties	53,663	57,215	53,665	55,736	62,834
Permits and fees	133,593	68,093	92,595	146,099	121,549
Petroleum royalties	86,540	44,958	51,851	38,400	42,835
Revenue from other minerals	57,190	55,585	53,586	74,650	73,524
	330,986	**225,851**	**251,697**	**314,885**	**300,742**
Forests					
Logging tax	5,146	8,841	31,531	50,032	45,684
Timber sales	93,442	103,380	350,506	413,469	451,850
Small Business Forest Enterprise Program	20,450	28,972	47,227	134,456	147,291
Timber royalties	16,992	13,133	26,731	62,110	42,215
Lumber export tax	–	21,268	278,999	5,782	–
Other forests revenue	8,115	9,712	9,587	12,507	10,236
	144,145	**185,306**	**744,581**	**678,356**	**697,276**
Water rentals and recording fees	213,891	235,643	214,971	255,519	236,103
Wildlife Act – fees and licences	10,531	10,791	11,708	12,567	13,759
Valuation allowance[2]	4,147	28	8	9,790	1,649
Total Natural Resource Revenue	**703,700**	**657,619**	**1,222,965**	**1,271,117**	**1,249,529**
Other revenue					
Fees and Licences					
Medical Services Plan premiums[1]	355,179	380,803	421,154	580,809	641,033
Lottery Fund Special Account[3]	104,068	159,317	161,212	180,994	195,798
Motor vehicle licences and permits	116,321	129,030	136,821	192,664	182,788
Real estate earnings of the Crown Land and Social Housing Special Accounts	25,097	25,202	28,676	50,831	59,990
Corporate, central and mobile home registry fees	15,535	16,081	19,723	24,394	26,661
Land Registry fees	33,667	37,102	17,661	24,637	25,146
Farm Income Assurance Fund Special Account	24,890	15,972	12,076	13,301	17,049
Other fees and licences	68,101	82,577	95,779	105,308	123,645
	742,858	**846,084**	**893,102**	**1,172,938**	**1,272,110**

Table A2.8 General Fund Revenue by Source for the Fiscal Years Ended March 31, 1986, 1987, 1988, 1989 and 1990 (Unaudited) — *Continued*

	1986	1987	1988	1989	1990
			($ thousands)		
Investment earnings	**84,350**	**53,169**	**68,355**	**133,758**	**168,020**
Miscellaneous					
Fines and penalties	15,126	17,878	24,409	29,150	44,724
Sale of salt water ferry assets	60,612	–	–	–	–
Maintenance of children	15,363	14,101	16,535	15,906	16,914
Insurance claim receipts	10,359	10,622	11,773	13,812	12,422
Other miscellaneous	33,338	28,475	37,368	38,379	66,748
	134,798	**71,076**	**90,085**	**97,247**	**140,808**
Valuation allowance[2]	**3,256**	**2,519**	**1,752**	**4,248**	**2,669**
Total Other Revenue	**965,262**	**972,848**	**1,053,294**	**1,408,191**	**1,583,607**
Contributions from government enterprises					
Liquor Distribution Branch	398,375	424,787	425,040	424,710[4]	419,598
British Columbia Hydro and Power Authority	–	–	–	–	101,149
British Columbia Buildings Corporation	–	2,645	22,965	22,712	1,400
British Columbia Railway Company	–	10,307	20,615	–	10,308
Other contributions	–	9,865	1,175	50	–
Total Contributions from Government Enterprises	**398,375**	**447,604**	**469,795**	**447,472**	**532,455**
Contributions from the federal government					
Established Programs Financing	1,091,252	1,205,263	1,215,270	1,230,182	1,239,750
Canada Assistance Plan	595,744	611,267	630,958	667,799	686,492
National Training Act	42,999	42,292	38,732	33,509	31,739
Economic development	12,784	22,627	35,759	48,236	42,036
South Moresby implementation	–	–	–	34,110	–
Transportation and highways	15,310	15,378	17,084	21,557	21,422
Public Utilities Income Tax Transfer Act	2,656	12	10,026	16,028	9,771
Reciprocal Taxation Agreement	21,786	21,097	24,091	20,530	21,479
Other payments	43,109	75,321	48,011	37,930	47,874
Total Contributions from the Federal Government	**1,825,640**	**1,993,257**	**2,019,931**	**2,109,881**	**2,100,563**
Total Revenue	**9,130,172**	**9,425,873**	**10,965,802**	**12,209,967**	**13,434,796**
Transfer (to) from Budget Stabilization Fund			(717,377)	(591,917)	52,204
Total General Fund Revenue	**9,130,172**	**9,425,873**	**10,248,425**	**11,618,050**	**13,487,000**

[1] For comparative purposes, revenue for 1987/88 and earlier have been restated to include business (school purpose) property tax and Medical Services Plan premiums, which are included in General Fund revenue beginning in 1988/89. Previously, this revenue was netted against expenditure.

[2] Historical figures restated to include valuation allowances, such as provisions for doubtful accounts, which are recorded as expenditure adjustments. Previously, these allowances were deducted from revenue.

[3] Excludes public gaming licence fees, which are included in other fees and licences.

[4] Includes a one-time accounting adjustment of $8.4 million resulting from a change in accounting policy.

Table A2.9 General Fund Expenditure by Function for the Fiscal Years Ended March 31, 1986, 1987, 1988, 1989 and 1990 (Unaudited)[1]

	1986	1987	1988	1989	1990
			($ thousands)		
Health					
Hospital care	1,566,859	1,726,917	1,881,712	2,059,167	2,294,015
Medical care	1,144,862	1,243,310	1,272,015	1,374,992	1,529,520
Preventive care	385,305	407,103	457,636	514,338	607,672
Other health	64,232	68,422	72,721	63,671	68,321
Total health care	**3,161,258**	**3,445,752**	**3,684,084**	**4,012,168**	**4,499,528**
Social services					
Social assistance	1,064,939	1,051,188	1,080,355	1,155,618[2]	1,165,621
Child welfare	100,890	102,723	116,012	115,828	142,911
Other social services	131,765	143,931	152,437	171,101	195,720
Total social services	**1,297,594**	**1,297,842**	**1,348,804**	**1,442,547**	**1,504,252**
Education					
Elementary and secondary	1,661,562	1,721,579	1,814,598	1,969,225	2,207,235
Post secondary	641,874	673,685	751,447	860,316	913,131
Other education	51,473	68,590	62,189	50,901	60,493
Total education	**2,354,909**	**2,463,854**	**2,628,234**	**2,880,442**	**3,180,859**
Protection of persons and property					
Law enforcement	168,805	181,458	197,361	205,386	232,677
Police protection	80,590	87,074	95,393	103,846	111,863
Corrections	115,404	118,885	125,693	138,122	157,598
Other protection and regulation	81,232	79,341	86,840	100,490	116,195
Total protection of persons and property	**446,031**	**466,758**	**505,287**	**547,844**	**618,333**
Transportation					
Road and air	1,030,544	884,696	690,608	584,129	891,283
Ferries	44,821	76,971	61,821	70,951	104,270
Railways	5,425	(216,962)[3]	15,650	16,046	21,094
Public transit	75,660	160,757	159,602	173,153	182,239
Total transportation	**1,156,450**	**905,462**	**927,681**	**844,279**	**1,198,886**
Natural resources and economic development					
Forests (includes firefighting)	368,008	321,670	410,565	481,479	539,565
Minerals and mines	24,010	32,672	31,489	28,986	33,074
Environment and agriculture	190,165	167,935	166,544	198,027	256,193
Fish and game	22,892	24,915	27,766	30,339	27,002
Trade and industry	119,003	218,310[4]	102,747	158,700	155,809
Total natural resources and economic development	**724,078**	**765,502**	**739,111**	**897,531**	**1,011,643**
Other expenditure					
Local government	222,240	231,553	242,969	245,487	286,884
Housing support	43,122	55,821	28,624	35,711	51,064
Recreation and culture	145,775	351,228	134,505	133,719	109,707
Total other expenditure	**411,137**	**638,602**	**406,098**	**414,917**	**447,655**
General government					
Administration	193,402	207,733	233,533	197,290	200,409
Legislature	9,913	11,507	15,722	15,923	17,641
Total general government	**203,315**	**219,240**	**249,255**	**213,213**	**218,050**
Debt servicing	341,894	383,581	525,277	529,850	510,230
Interest paid to Budget Stabilization Fund	–	–	–	77,330	160,988
Transfers to Budget Stabilization Fund	–	–	25,529	79,000	–
Total General Fund Expenditure	**10,096,666**	**10,586,593**	**11,039,360**	**11,939,121**	**13,350,424**

[1] Expenditure by function has been restated to conform more closely to the presentation used by Statistics Canada.
[2] Social assistance costs in 1988/89 contain a one-time accounting adjustment of $31,414,265.
[3] Includes a positive valuation adjustment of $231 million for the British Columbia Railway Company.
[4] Includes a negative valuation adjustment of $142 million for the British Columbia Enterprise Corporation.

Table A2.10 Special Funds Summary for the Fiscal Years Ended March 31, 1988, 1989 and 1990 (Unaudited)

	1988	1989	1990
		($ thousands)	
Budget Stabilization Fund:			
Opening balance	—	742,905	1,491,152
Transfer (to) from General Fund Revenue	717,377	591,917	(52,204)[1]
Interest earnings	—	77,330	160,988
Lottery funds transferred from General Fund	25,528	79,000	—
Closing balance	742,905	1,491,152	1,599,936
Privatization Benefits Fund:			
Opening balance		—	308,518
Privatization proceeds		308,518	84,923
Investment income		12,928	39,055
Investment income transferred to General Fund		(12,928)	(11,593)
Closing balance		308,518	420,903

[1] Includes the budgeted transfer of $500 million, largely offset by excess revenue of $448 million.

Table A2.11 Historical General Fund and Special Funds Revenue by Source for Fiscal Years Ending March 31

Year	Taxation	Natural Resource	Other Revenue	Contributions From Government Enterprises	Contributions From the Federal Government	Total
			($ millions)			
1978	2,308.9	626.7	540.2	188.6	707.4	4,371.8
1979	2,531.8	806.5	477.9	218.4	818.1	4,852.7
1980	2,701.4	1,329.9	593.2	241.1	994.4	5,860.0
1981[1]	2,967.0	988.2	717.0	314.0	1,098.6	6,084.8
1981[1]	3,008.6	861.9	742.5	293.1	1,076.5	5,982.6
1982	4,216.7	597.6	916.2	326.5	1,082.3	7,139.3
1983	4,707.5	542.5	874.6	337.9	1,215.6	7,678.1
1984	4,705.4	678.7	793.2	351.5	1,772.7	8,301.5
1985	5,015.3	720.9	886.0	360.3	1,791.0	8,773.5
1986[2]	5,237.2	703.7	965.3	398.4	1,825.6	9,130.2
1987	5,354.5	657.6	972.9	447.6	1,993.3	9,425.9
1988	6,199.8	1,223.0	1,053.3	469.8	2,019.9	10,965.8
1989	6,973.3	1,271.1	1,716.7	447.5	2,109.9	12,518.5
1990 (unaudited)	7,968.6	1,249.5	1,696.0	532.5	2,100.6	13,547.2

[1] During 1980/81, the provincial government changed from a cash basis to an accrual basis of accounting; for comparative purposes both versions are shown for 1980/81.

[2] Revenue has been restated to include valuation allowances from 1985/86.

Table A2.12 Historical General Fund and Special Funds Expenditure by Function for Fiscal Years Ending March 31

Year	Health and Social Services	Education	Transportation	Debt Servicing	Other	Total
			($ millions)			
1978	1,681.4	949.7	473.5	22.5	1,040.7	4,167.8
1979	1,859.0	1,043.1	512.5	23.7	1,143.9	4,582.2
1980	2,171.1	1,189.7	534.2	21.7	1,401.5	5,318.2
1981[1]	2,681.0	1,322.2	558.9	45.4	1,849.1	6,456.6
1981[1]	2,727.7	1,320.3	660.9	19.3	1,511.2	6,239.4
1982	3,173.2	1,556.7	755.5	16.9	1,821.1	7,323.4
1983	3,776.5	2,505.9	623.6	28.3	1,728.0	8,662.3
1984	4,256.9	2,382.3	831.7	112.6	1,730.1	9,313.6
1985[2]	4,308.3	2,421.1	1,263.0	274.6	1,500.4	9,767.4
1986[3]	4,458.9	2,354.9	1,156.5	341.9	1,784.5	10,096.7
1987	4,743.6	2,463.9	905.5	383.6	2,090.0	10,586.6
1988	5,032.9	2,628.2	927.7	525.3	1,899.7	11,013.8
1989	5,454.7	2,880.4	844.3	529.9	2,073.5	11,782.8
1990 (unaudited)	6,003.8	3,180.9	1,198.9	510.2	2,295.6	13,189.4

[1] During 1980/81, the provincial government changed from a cash basis to an accrual basis of accounting; for comparative purposes both versions are shown for 1980/81.

[2] Figures for 1984/85 onwards have been restated to conform more closely to the presentation used by Statistics Canada.

[3] Expenditure for 1985/86 and onwards has been restated to include valuation allowances.

Table A2.13 Historical Summary of Financial Transactions for Fiscal Years Ending March 31 (General Fund and Special Funds)

Year	Revenue	Expenditure	(Surplus) Deficit	Disbursements (Receipts) from Financing/ Working Capital Transactions	Total Financial Requirements (Sources)	Net Borrowing (Retirement) for Government Purposes	(Increase) Decrease in Cash and Temporary Investments[2]
				($ millions)			
1967	731.6	660.5	(71.1)	10.8	(60.3)	—	(60.3)
1968	814.4	758.6	(55.8)	(5.3)	(61.1)	—	(61.1)
1969	1,017.5	959.9	(57.6)	(11.8)	(69.4)	—	(69.4)
1970	1,248.3	1,244.7	(3.6)	9.3	5.7	—	5.7
1971	1,373.3	1,274.1	(99.2)	20.1	(79.1)	—	(79.1)
1972	1,557.4	1,473.9	(83.5)	22.8	(60.7)	—	(60.7)
1973	1,772.3	1,675.5	(96.8)	13.0	(83.8)	—	(83.8)
1974	2,217.2	2,071.3	(145.9)	(22.9)	(168.8)	—	(168.8)
1975	2,769.4	2,779.2	9.8	98.6	108.4	—	108.4
1976	3,124.1	3,534.4	410.3	(96.6)	313.7	—	313.7
1977	3,785.4	3,691.1	(94.3)	150.1	55.8	261.4	(205.6)
1978	4,371.8	4,167.8	(204.0)	(54.2)	(258.2)	—	(258.2)
1979	4,852.7	4,582.2	(270.5)	26.3	(244.2)	—	(244.2)
1980	5,860.0	5,318.2	(541.8)	85.0	(456.8)	(26.1)	(430.7)
1981[1]	6,084.8	6,456.6	371.8	(88.5)	283.3	(26.1)	309.4
1981[1]	5,982.6	6,239.4	256.8	30.1	286.9	(26.1)	313.0
1982	7,139.3	7,323.4	184.1	(159.3)	24.8	(26.1)	50.9
1983	7,678.1	8,662.3	984.2	265.3	1,249.5	700.0	549.5
1984	8,301.5	9,313.6	1,012.1	(223.5)	788.6	713.0	75.6
1985	8,773.5	9,767.4	993.9	(111.3)	882.6	879.8	2.8
1986[3]	9,130.2	10,096.7	966.5	(105.7)	860.8	721.2	139.6
1987	9,425.9	10,586.6	1,160.7	561.6	1,722.3	1,604.7	117.6
1988	10,965.8	11,013.8	48.0	160.3	208.3	214.8	(6.5)
1989	12,518.5	11,782.8	(735.7)	76.5	(659.2)	(97.5)	(561.7)
1990 (unaudited)	13,547.2	13,189.4	(357.8)	(75.2)	(433.0)	(710.7)	277.7

[1] During 1980/81, the provincial government changed from a cash basis to an accrual basis of accounting; for comparative purposes both versions are shown for 1980/81.

[2] The definition of items classified as cash and temporary investments has changed over time. The table reports the change in cash and temporary investments based on the accounting classification used during the year reported.

[3] Revenue and expenditure for 1985/86 and onwards have been restated to include valuation and other one-time accounting adjustments.

Table A2.14 Government and Crown Corporation Net Debt Summary for Years Ending March 31[1]

	1986	1987	1988	1989	1990
			($ millions)		
Government Purpose	3,197.1	4,801.9	5,016.7	4,919.2	4,208.6
Crown Corporation Net Debt					
Commercial:					
British Columbia Enterprise Corporation	—	43.3	167.2	38.6	—
British Columbia Hydro and Power Authority	8,494.6	8,120.3	7,683.3	7,060.3	7,076.3
British Columbia Petroleum Corporation	30.0	30.0	—	—	—
British Columbia Place	139.5	—	—	—	—
British Columbia Railway Company	301.9	287.6	298.3	297.5	258.3
	8,966.0	8,481.2	8,148.8	7,396.4	7,334.6
Economic Development:					
British Columbia Development Corporation	187.6	64.3	—	—	—
British Columbia Ferry Corporation	85.5	84.6	77.6	75.2	67.6
British Columbia Housing and Employment Development Financing Authority	137.8	26.6	1.2	0.9	0.8
British Columbia Steamship Company (1975) Ltd.	5.5	3.1	8.6	—	—
British Columbia Transit	942.8	1,009.3	1,105.3	1,137.4	1,176.8
Expo 86 Corporation	286.8	98.6	—	—	—
W.L.C. Developments Ltd.	23.5	4.0	—	—	—
	1,669.5	1,290.5	1,192.7	1,213.5	1,245.2
Social and Government Services:					
British Columbia Assessment Authority	3.6	4.5	4.3	4.8	4.3
British Columbia Buildings Corporation	595.2	378.2	390.1	423.7	504.3
British Columbia Educational Institutions Capital Financing Authority	376.7	373.3	362.0	376.9	425.1
British Columbia Regional Hospital Districts Financing Authority	680.0	681.3	716.1	763.0	788.7
British Columbia School Districts Capital Financing Authority	864.6	831.0	825.9	808.7	794.2
Capital Project Certificate of Approval Program[2]	34.9	63.3	90.0	136.6	196.2
British Columbia Systems Corporation	51.6	43.1	46.5	40.0	36.2
Other	—	—	—	—	55.2
	2,606.6	2,374.7	2,434.9	2,553.7	2,804.2
Other:					
B.C. Gas	—	—	—	150.0	149.9
Universities and student assistance loans	49.4	71.3	82.2	112.6	144.7
British Columbia Home Mortgage Assistance Program	—	—	—	—	69.2
Greater Vancouver Sewerage and Drainage District	—	29.7	29.1	28.3	27.4
Greater Vancouver Water District	—	19.8	19.7	19.9	19.9
Other[3]	56.7	46.7	50.1	25.2	27.8
	106.1	167.5	181.1	336.0	438.9
Less Amounts held as investments/cash held for relending by General and Special Funds	38.9	17.0	8.2	8.6	61.1
Total Guaranteed and Direct Debt	**16,506.4**	**17,098.8**	**16,966.0**	**16,410.2**	**15,970.4**

[1] Net debt is after deduction of sinking funds. Government purpose and fiscal agency debt excludes accrued interest, which is reported in the government's accounts as an account payable. Guaranteed debt excludes accrued interest.

[2] Short-term borrowings obtained by financing authorities under the Certificate of Approval Program are used for interim financing of capital construction and are eventually converted to long-term debt.

[3] Includes *Municipalities Assistance Act, Municipal Act, Agricultural Credit Act, Farm Product Industry Act,* Science World, Thompson-Nicola District and Improvement Districts, CanDive Services, Fraser Valley Mushroom Growers Co-op, Regional Seed Capital Program, East Chilliwack Co-op and miscellaneous guarantees of less than $1 million. Includes provisions for guarantee payouts.

Table A2.15 Historical Government and Crown Corporation Net Debt Summary for Years Ending March 31[1]

Year	Commercial[2]	Economic Development[2]	Social, Government Services and Other[2]	Government Purpose	Less: Amounts Held as Investments By General and Special Funds	Total Net Debt	Net Debt as a Per Cent of GDP
			($ millions)				
1969	1,522.4	166.8	417.8	—	—	2,107.0	27.4
1970	1,661.3	156.2	465.7	—	—	2,283.2	26.0
1971	1,807.5	185.9	511.6	—	—	2,505.0	27.5
1972	1,948.1	245.3	547.1	—	—	2,740.5	26.5
1973	2,061.8	298.4	590.0	—	—	2,950.2	24.8
1974	2,227.7	411.4	616.1	—	—	3,255.2	22.1
1975	2,649.9	462.2	690.4	—	—	3,802.5	21.8
1976	3,144.3	619.6	804.5	—	—	4,568.4	23.4
1977	3,787.4	725.6	971.3	261.4	—	5,745.7	25.0
1978	4,464.0	736.8	1,091.7	261.4	—	6,553.9	25.6
1979	4,437.6	723.7	1,249.9	261.4	165.5	6,907.1	24.0
1980	5,704.3	838.1	1,480.2	235.3	205.2	8,052.7	24.1
1981	5,911.2	883.1	1,654.0	209.2	161.0	8,496.5	22.2
1982	7,227.5	983.3	2,047.5	183.1	314.9	10,126.5	22.7
1983	7,691.4	1,202.5	2,669.4	883.1	136.4	12,310.0	26.7
1984	8,431.1	1,800.6	2,835.6	1,596.1	74.4	14,589.0	30.3
1985	9,066.3	1,261.8	2,734.6	2,475.9	34.8	15,503.8	30.3
1986	8,966.0	1,669.5	2,712.7	3,197.1	38.9	16,506.4	30.3
1987	8,481.2	1,290.5	2,542.2	4,801.9	17.0	17,098.8	30.0
1988	8,148.8	1,192.7	2,616.0	5,016.7	8.2	16,966.0	27.2
1989	7,396.4	1,213.5	2,889.7	4,919.2	8.6	16,410.2	24.1
1990	7,334.6	1,245.2	3,243.1	4,208.6	61.1[3]	15,970.4	21.3

[1] Net debt is after deduction of sinking funds. Government purpose and fiscal agency debt excludes accrued interest, which is reported in the government's accounts as an account payable. Guaranteed debt excludes accrued interest from 1985/86 onwards.

[2] Prior to 1984/85, debt outstanding for the British Columbia Railway Company was classified as economic development debt; for 1984/85 and later, this debt is classified as commercial debt. Beginning in 1985/86, certain economic development debt (for example, agricultural and regional development loan guarantees) have been reclassified as social, government services and other debt.

[3] Includes cash held for relending under the Fiscal Agency Loan Program.

Table A3.1 Municipal Population Estimates

Name	Area Type[1]	Census 1986	Estimate 1987	Estimate 1988	Estimate 1989
Abbotsford	DM*	14,496	15,055	15,842	16,544
Alert Bay	VL	679	667	681	654
Armstrong	C	2,706	2,746	2,705	2,709
Ashcroft	VL	1,914	1,806	1,720	1,671
Belcarra	VL	549	576	591	606
Burnaby	DM	145,161	146,188	149,178	152,191
Burns Lake	VL	1,723	1,700	1,699	1,643
Cache Creek	VL	1,147	1,059	1,038	1,026
Campbell River	DM*	16,986	17,352	18,049	19,501
Castlegar	C	6,385	6,297	6,223	6,277
Central Saanich	DM	11,475	11,786	12,167	12,589
Chase	VL	1,933	1,888	1,928	1,966
Chetwynd	DM	2,774	2,706	2,657	2,701
Chilliwack	DM	41,337	42,333	44,076	45,643
Clinton	VL	754	732	732	729
Coldstream	DM	6,872	6,981	7,061	7,194
Colwood	C*	11,432	11,774	12,229	13,097
Comox	T	6,873	6,936	7,404	7,652
Coquitlam	DM	69,291	71,539	75,230	78,518
Courtenay	C	9,631	9,657	9,640	9,867
Cranbrook	C*	15,893	15,426	15,195	15,024
Creston	T	4,098	3,933	3,934	3,865
Cumberland	VL	1,853	1,915	1,864	2,037
Dawson Creek	C	10,544	10,587	10,147	10,149
Delta	DM	79,610	80,249	81,639	83,467
Duncan	C	4,039	3,910	3,954	4,045
Elkford	DM	3,187	3,055	2,915	2,876
Enderby	C*	1,714	1,852	1,803	1,767
Esquimalt	DM	15,972	16,273	16,497	16,788
Fernie	C	5,188	4,900	4,732	4,701
Fort Nelson	T	3,729	3,670	3,535	3,311
Fort St. James	VL	1,983	1,975	1,925	1,937
Fort St. John	C	13,355	13,047	12,747	12,660
Fraser Lake	VL	1,182	1,195	1,250	1,162
Fruitvale	VL	1,932	1,865	1,857	1,859
Gibsons	T	2,675	2,679	2,772	2,956
Gold River	VL	1,879	1,846	1,970	2,008
Golden	T	3,584	3,597	3,797	3,707
Grand Forks	C	3,282	3,172	3,187	3,208
Granisle	VL*	646	596	668	658
Greenwood	C	767	734	719	771
Harrison Hot Springs	VL	652	651	669	688
Hazelton	VL	436	466	443	451
Hope	T*	3,046	3,033	3,093	3,205
Houston	DM	3,905	3,836	3,703	3,588
Hudson's Hope	DM*	1,158	1,157	1,127	1,037
Invermere	DM	1,998	1,982	1,988	2,021
Kamloops	C	61,773	61,860	62,006	62,261
Kaslo	VL	858	836	861	839
Kelowna	C	61,213	62,956	64,501	67,026
Kent	DM	3,741	3,788	3,758	3,911
Keremeos	VL	839	832	868	857
Kimberley	C	6,732	6,307	6,189	6,021
Kitimat	DM	11,196	11,039	10,687	10,442
Ladysmith	T	4,393	4,429	4,521	4,618
Lake Cowichan	VL*	2,170	2,165	2,083	2,046
Langley	C	16,557	16,920	17,130	17,988

Table A3.1 Municipal Population Estimates — *Continued*

Name	Area Type[1]	Census 1986	Estimate 1987	Estimate 1988	Estimate 1989
Langley	DM	53,434	55,694	58,299	60,841
Lillooet	VL	1,758	1,751	1,730	1,720
Lions Bay	VL	1,152	1,150	1,190	1,191
Logan Lake	DM*	2,001	1,886	1,809	1,788
Lumby	VL	1,181	1,170	1,161	1,143
Lytton	VL	368	360	347	351
Mackenzie	DM	5,542	5,363	5,311	5,488
Maple Ridge	DM	36,023	38,673	41,589	44,452
Masset	VL	1,529	1,525	1,524	1,539
Matsqui	DM	51,449	53,529	56,221	59,717
McBride	VL	592	581	572	567
Merritt	C*	6,180	6,160	6,095	6,077
Metchosin	DM	3,676	3,777	3,836	3,967
Midway	VL	640	642	626	609
Mission	DM	21,985	22,574	23,599	24,651
Montrose	VL	1,183	1,162	1,149	1,202
Nakusp	VL	1,410	1,332	1,306	1,291
Nanaimo	C*	49,029	49,385	50,896	53,788
Nelson	C	8,113	8,071	8,144	8,320
New Denver	VL	596	591	589	542
New Hazelton	DM	796	837	859	806
New Westminster	C	39,972	39,959	41,102	42,721
North Cowichan	DM	18,674	18,903	19,234	19,656
North Saanich	DM	7,247	7,493	7,936	8,324
North Vancouver	C	35,698	36,055	37,248	38,203
North Vancouver	DM	68,241	69,682	71,120	73,135
Oak Bay	DM	17,065	17,206	17,532	17,795
Oliver	VL*	1,963	1,971	1,996	2,003
Osoyoos	T	2,956	2,891	2,924	2,826
Parksville	C*	5,828	5,924	6,139	6,519
Peachland	DM	2,988	3,053	3,018	3,081
Pemberton	VL	347	363	395	429
Penticton	C	23,588	24,349	24,805	25,312
Pitt Meadows	DM	8,004	8,394	8,826	9,546
Port Alberni	C	18,241	18,153	17,892	17,733
Port Alice	VL	1,387	1,355	1,359	1,293
Port Clements	VL	539	555	548	524
Port Coquitlam	C*	29,115	29,992	31,307	32,870
Port Edward	VL	704	626	567	520
Port Hardy	DM	5,389	5,165	4,946	4,885
Port McNeill	T	2,559	2,461	2,454	2,463
Port Moody	C*	15,754	15,887	16,042	16,338
Pouce Coupe	VL	813	799	768	754
Powell River	DM	12,440	12,082	12,177	12,407
Prince George	C	67,621	66,624	65,797	65,451
Prince Rupert	C	15,755	15,819	15,907	15,959
Princeton	T	2,910	2,661	2,704	2,693
Qualicum Beach	T*	3,410	3,462	3,618	3,838
Quesnel	C*	8,358	8,225	8,083	7,941
Revelstoke	C*	8,279	8,097	7,884	7,863
Richmond	DM	108,492	111,513	114,704	117,773
Rossland	C	3,472	3,345	3,357	3,443
Saanich	DM	82,940	84,977	86,901	89,265
Salmo	VL*	1,014	947	928	931
Salmon Arm	DM	11,199	10,974	11,178	11,296
Sayward	VL	417	409	399	410
Sechelt	DM*	1,224	4,889	5,021	5,228

Table A3.1 Municipal Population Estimates — *Continued*

Name	Area Type[1]	Census 1986	Estimate 1987	Estimate 1988	Estimate 1989
Sidney	T	8,982	9,025	9,324	9,483
Silverton	VL	233	239	238	243
Slocan	VL	294	282	272	288
Smithers	T	4,713	4,628	4,785	4,895
Spallumcheen	DM	4,310	4,371	4,413	4,446
Sparwood	DM	4,540	4,170	3,870	3,760
Squamish	DM	10,157	10,340	10,642	10,892
Stewart	DM*	858	1,008	1,044	1,167
Summerland	DM	7,755	8,018	8,313	8,398
Surrey	DM	181,447	191,090	200,683	212,052
Tahsis	VL	1,445	1,260	1,100	904
Taylor	VL*	711	650	642	597
Telkwa	VL	863	837	854	823
Terrace	C	10,532	10,647	10,669	10,540
Tofino	DM	940	958	934	951
Trail	C*	7,948	7,742	7,640	7,629
Tumbler Ridge	DM	4,387	4,102	4,008	4,137
Ucluelet	VL*	1,512	1,472	1,506	1,532
Valemount	VL	1,161	1,140	1,155	1,082
Vancouver	C	431,147	435,719	443,091	451,778
Vanderhoof	DM	3,505	3,327	3,213	3,268
Vernon	C*	20,241	20,392	20,822	20,678
Victoria	C	66,303	66,955	67,244	68,032
View Royal	T*	—	—	—	5,676
Warfield	VL	1,840	1,813	1,760	1,763
West Vancouver	DM	36,266	36,583	37,333	38,347
Whistler	DM	2,002	2,157	2,406	2,562
White Rock	C	14,387	14,769	14,975	15,352
Williams Lake	C	10,280	10,314	10,432	10,127
Zeballos	VL	195	138	189	185
100 Mile House	VL	1,692	1,686	1,635	1,610

* Boundary change between 1986 and 1989.
[1] C = City, T = Town, VL = Village, DM = District Municipality.

Sources: Ministry of Finance and Corporate Relations estimates for 1987 to 1989.
Statistics Canada for 1986 Census of Canada.

Table A3.2 Historical Labour Market Activity in British Columbia

Year	Labour Force			Employed	Unemployed	Unemployment Rate
	Male	Female	Total[1]			
			(thousands)			(per cent)
1961	426	149	575	527	49	8.5
1962	430	160	590	551	39	6.6
1963	438	173	610	571	39	6.4
1964	452	187	639	605	34	5.3
1965	469	197	666	639	28	4.2
1966	498	218	716	684	33	4.6
1967	518	241	759	720	39	5.1
1968	532	257	789	742	47	5.9
1969	554	276	830	788	42	5.0
1970	578	293	871	805	67	7.7
1971	596	303	899	834	65	7.2
1972	614	324	938	865	73	7.8
1973	644	343	987	920	66	6.7
1974	670	370	1,040	976	64	6.2
1975	680	407	1,087	995	92	8.5
1976	694	422	1,117	1,021	96	8.6
1977	713	435	1,148	1,050	98	8.5
1978	731	471	1,202	1,103	99	8.3
1979	751	488	1,239	1,144	95	7.6
1980	785	516	1,301	1,213	88	6.8
1981	806	555	1,361	1,270	91	6.7
1982	801	567	1,367	1,202	166	12.1
1983	806	574	1,380	1,190	190	13.8
1984	807	589	1,396	1,191	206	14.7
1985	814	606	1,420	1,220	200	14.1
1986	829	622	1,451	1,270	181	12.5
1987	841	641	1,482	1,306	177	11.9
1988	849	666	1,514	1,358	157	10.3
1989	877	701	1,578	1,435	144	9.1

Source: Statistics Canada.

[1] Totals may not add due to rounding.

Table A5.1 Volume of Mature Timber, April 1990

Species	Coast Volume	Per Cent of Coast	Interior Volume	Per Cent of Interior	Total Volume	Per Cent of Total
	(million cubic metres)		(million cubic metres)		(million cubic metres)	
Hemlock	1,234.6	40.3	583.7	10.6	1,818.3	21.2
Spruce	146.4	4.8	1,625.0	29.4	1,771.4	20.6
Balsam	497.3	16.2	1,130.8	20.4	1,628.1	19.0
Lodgepole pine	23.3	0.8	1,385.6	25.1	1,408.9	16.4
Red cedar	703.0	23.0	172.5	3.1	875.5	10.2
Douglas fir	275.7	9.0	260.0	4.7	535.7	6.2
Other coniferous	164.7	5.4	60.3	1.1	225.0	2.6
Deciduous	15.9	0.5	309.5	5.6	325.4	3.8
Total[1]	3,061.1	100.0	5,527.4	100.0	8,588.5	100.0

[1] Totals may not add due to rounding.
Source: Ministry of Forests.

Table A5.2 Timber Scaled (Logged) by Species

Species	1979	1986	1987	1988	1989	1989 Per Cent of Total
			(million cubic metres)			
Balsam	10.1	9.7	12.1	11.2	12.0	13.7
Cedar	9.3	8.0	9.3	9.3	8.7	10.0
Douglas fir	8.5	8.4	9.3	9.6	8.8	10.1
Lodgepole pine	14.8	18.6	21.3	20.5	21.9	25.1
Spruce	17.7	18.3	19.4	17.2	17.0	19.4
Hemlock	13.7	12.7	16.4	15.9	15.4	17.6
All others	2.1	1.8	2.8	3.1	3.6	4.1
Total	76.2	77.5	90.6	86.8	87.4	100.0

Source: Ministry of Forests.

Table A5.3 Mineral Production, 1988 and 1989

	Unit	1988		1989[1]	
		Quantity	Value	Quantity	Value
Metals		(000)	($ millions)	(000)	($ millions)
Copper	(kilograms)	353,482	1,117.0	303,221	1,005.9
Gold	(grams)	12,773	229.2	14,985	268.0
Iron concentrates	(tonnes)	59	2.2	63	2.1
Lead	(kilograms)	105,296	74.3	73,792	49.4
Molybdenum	(kilograms)	12,924	116.0	13,319	111.0
Silver	(grams)	423,441	112.5	528,711	111.1
Zinc	(kilograms)	139,377	212.3	129,740	263.8
Other		—	12.1	—	8.9
Total		—	1,875.8	—	1,780.3
Industrial minerals					
Asbestos	(tonnes)	109	54.2	108	57.8
Sulphur	(tonnes)	510	43.1	575	61.6
Other		—	14.1	—	13.0
Total		—	111.5	—	132.4
Structural materials					
Cement	(tonnes)	1,520	106.5	1,564	107.5
Sand and gravel	(tonnes)	48,517	120.2	50,395	127.2
Other		—	31.4	—	30.8
Total		—	258.2	—	265.5
Coal	(tonnes)	24,813	978.8	25,520	1,040.1
Total solid minerals		—	3,224.2	—	3,218.3
Petroleum and natural gas					
Crude oil	(cubic metres)	1,882	205.9	1,852	251.5
Natural gas to pipeline	(000 cubic metres)	10,312	476.8	13,300	637.7
Other		—	52.6	—	55.0
Total petroleum and natural gas		—	735.4	—	944.3
Total[2] — all minerals		—	3,959.6	—	4,162.6

Source: Ministry of Energy, Mines and Petroleum Resources.

[1] Estimate.

[2] Totals may not add due to rounding.

Conversion table:

0.9072 tonnes = one ton.
0.4536 kilograms = one pound.
31.1035 grams = one troy ounce.
0.1590 cubic metres = one barrel.
0.0283 cubic metres = one standard cubic foot.

Table A5.4 Historical Value of Mineral Production

Year	Metals	Industrial Minerals	Structural Materials	Coal	Crude Oil	Natural Gas to Pipeline	Other Oil and Gas	Total[1]
				($ millions)				
1979	1,351	83	188	439	169	700	27	2,957
1980	1,429	116	242	461	190	613	26	3,077
1981	1,247	122	201	554	236	617	32	3,009
1982	1,057	96	164	567	334	543	36	2,797
1983	1,106	89	208	556	402	455	43	2,859
1984	1,037	115	192	1,008	435	519	43	3,349
1985	1,005	111	233	1,028	428	575	47	3,427
1986	1,157	134	215	934	230	486	62	3,218
1987	1,492	125	259	893	302	373	56	3,500
1988	1,876	111	258	979	206	477	53	3,960
1989[2]	1,780	132	265	1,040	252	638	55	4,163

Source: Ministry of Energy, Mines and Petroleum Resources.
[1] Totals may not add due to rounding.
[2] Estimate.

Table A5.5 Historical Value of Metal Production

Year	Copper	Silver	Gold	Zinc	Molyb-denum	Lead	Other	Total[1]
				($ millions)				
1979	656	95	104	62	321	88	25	1,351
1980	671	157	170	49	289	66	27	1,429
1981	611	152	136	67	198	62	21	1,247
1982	495	158	118	64	155	43	24	1,057
1983	561	180	131	80	88	49	17	1,106
1984	518	121	118	115	114	38	13	1,037
1985	580	101	98	113	63	42	8	1,005
1986	629	95	155	138	93	38	9	1,157
1987	842	123	239	109	122	50	7	1,492
1988	1,117	113	229	212	116	74	14	1,876
1989[2]	1,006	111	228	264	111	49	11	1,780

Source: Ministry of Energy, Mines and Petroleum Resources.
[1] Totals may not add due to rounding.
[2] Estimate.

Table A5.6 Supply and Consumption of Electrical Energy in British Columbia

Year	Supply					Consumption	
	Net Generation						
	Hydro	Thermal	Total Provincial Generation	Receipts From Other Provinces and Imports	Total Provincial Supply	Delivered To Other Provinces and Exports	Total Provincial Consumption
	(gigawatt-hours[1])						
1979	40,958	2,286	43,244	1,737	44,981	3,656	41,325
1980	40,860	2,474	43,334	2,823	46,157	3,454	42,702
1981	49,408	1,600	51,008	1,158	52,166	8,987	43,180
1982	46,127	2,111	48,238	2,308	50,546	6,615	43,931
1983	44,911	2,302	47,213	2,445	49,658	4,975	44,683
1984	50,243	2,126	52,369	1,556	53,925	8,313	45,612
1985	57,105	2,021	59,126	1,080	60,206	11,231	48,975
1986	48,923	1,836	50,759	3,345	54,104	4,709	49,395
1987	61,057	2,009	63,066	1,203	64,269	13,336	50,934
1988	58,573	2,370	60,943	2,351	63,294	9,215	54,078
1989	51,082	6,573	57,655	4,500	62,155	6,583	55,572

[1] gigawatt-hour = one million kilowatt-hours.
Note: Totals may not add due to rounding.
Source: Statistics Canada.

Table A5.7 Principal Producers of Electric Power in British Columbia

Producers	Installed Capacity[1]		
	Hydro	Thermal	Combined
		(kilowatts)	
Utilities			
British Columbia Hydro and Power Authority	9,571,002	1,125,840	10,696,842
West Kootenay Power and Light Co. Ltd.	186,155	—	186,155
The Corporation of the City of Nelson	9,489	—	9,489
Central Coast Power Corporation	1,500	—	1,500
Yoho Power	—	650	650
Kitasoo Hydro	630	—	630
Tsawataineuk Band Council	75	—	75
Total utilities	9,768,851	1,126,490	10,895,341
Forest products companies			
MacMillan Bloedel Ltd.	74,980	109,250	184,230
B.C. Forest Products Ltd.	—	66,550	66,550
Northwood Pulp Co.	—	56,800	56,800
Western Pulp Ltd.	4,587	38,100	42,687
Skeena Cellulose Inc.	—	42,000	42,000
Weyerhaeuser Canada Limited	—	41,000	41,000
Crown Forest Industries Ltd.	75	32,250	32,325
CIP Inc.	—	29,464	29,464
Cariboo Pulp and Paper Co. Ltd.	—	28,000	28,000
Crestbrook Pulp and Paper Co. Ltd.	—	15,000	15,000
Evans Products Co. Ltd.	—	7,500	7,500
Weldwood Company of Canada Ltd.	—	6,500	6,500
Canadian Forest Products Ltd.	—	5,000	5,000
Westar Ltd.	—	2,500	2,500
MacDonald Ranch and Lumber	320	—	320
Total forest products	79,962	479,914	559,876
Mining companies			
Alcan Smelters and Chemicals Ltd.	896,000	—	896,000
Cominco Ltd.	468,820	—	468,820
Westmin Resources Ltd.	11,160	10,925	22,085
Cassiar Mining Corporation	—	14,700	14,700
Placer Development Limited	—	2,200	2,200
Teck Corporation	—	800	800
Dickenson Mines Ltd.	274	—	274
Total mining	1,376,254	28,625	1,404,879
Other industries			
PetroCanada	—	7,500	7,500
B.C. Sugar Refining Co. Ltd.	—	5,500	5,500
Ribco Leasing Ltd.	1,760	—	1,760
British Columbia Packers	—	1,410	1,410
Robson Valley Power Corporation	500	—	500
Walden North Enterprises	450	—	450
Total other industries	2,710	14,410	17,120
Miscellaneous hydro	3,051	—	3,051
Total principal producers	11,230,828	1,649,439	12,880,267

[1] Installed capacity represents physical rather than name-plate capacity.

Sources: Hydro plant installations from Ministry of Environment. Thermal plant installations from Statistics Canada, Catalogue 57-206 (December 31, 1988).

Table A5.8 Ten Largest Power Plants in British Columbia

Name	River	Installed Capacity	Ultimate Capacity	Owner
		(megawatts)[1]		
G. M. Shrum (W.A.C. Bennett Dam)	Peace	2,730	2,730	B.C. Hydro
Revelstoke	Columbia	1,843	2,764	B.C. Hydro
Mica	Columbia	1,736	2,610	B.C. Hydro
Kemano	Nechako	896	1,436	Alcan
Peace Canyon	Peace	700	700	B.C. Hydro
Seven Mile	Pend Oreille	576	639	B.C. Hydro
Kootenay Canal	Kootenay	529	529	B.C. Hydro
Bridge River	Bridge	438	438	B.C. Hydro
Waneta	Pend Oreille	360	720[2]	Cominco
Jordan River	Jordan	150	150	B.C. Hydro

[1] megawatt = 1,000 kilowatts.
[2] Estimate.
Source: Ministry of Environment.

Table A5.9 Historical British Columbia Farm Cash Receipts

Year	Crops		Livestock Products			Other	Total
	Fruits and Vegetables including Potatoes	Grain and Other Crops	Dairy Products	Poultry and Eggs	Other Livestock and Products		
			($ millions)				
1979	140	95	146	116	154	22	673
1980	153	135	174	120	175	22	779
1981	160	130	190	143	199	55	877
1982	181	107	211	139	231	93	962
1983	169	111	210	141	216	68	915
1984	176	122	221	154	244	79	996
1985	199	123	228	153	248	80	1,031
1986	214	120	232	159	259	85	1,069
1987	224	123	231	169	283	53	1,083
1988[1]	223	169	237	177	251	83	1,140
1989[2]	205	178	243	200	262	76	1,164

Source: Statistics Canada.
[1] Data revised for years 1985 to 1988, inclusive.
[2] Preliminary.

Table A5.10 Historical British Columbia Fish Production

Year	Wholesale Value[1]						Total Landed Value[2]
	Salmon[3]	Halibut[4]	Herring	Ground-fish[5]	Shellfish	Total Wholesale	
	($ millions)						
1979	290	20	202	40	14	566	333
1980	289	12	48	42	15	406	184
1981	374	11	82	46	14	527	236
1982	315	8	86	41	17	467	241
1983	284	11	111	48	18	472	210
1984	276	14	99	52	26	467	243
1985	512	19	103	64	30	728	378
1986	536	31	88	76	35	766	402
1987	426	38	174	103	56	796	442
1988[6]	584	30	176	94	72	956	533
1989[7]	592	27	147	69	51	886	409

[1] Wholesale value includes the value of fish wholly or partially processed, and raw fish sold through brokers.
[2] Landed value is the value of raw fish landed at dock.
[3] Excludes salmon aquaculture production.
[4] Includes halibut landings at U.S. ports by British Columbia fishermen.
[5] Includes hake landings to foreign vessels, plus minor fish species not listed.
[6] Data revised for years 1986 to 1988, inclusive.
[7] Preliminary.
Sources: Ministry of Agriculture and Fisheries; Department of Fisheries and Oceans, Canada.

Table A5.11 Value of Manufacturing Shipments

Industry	1987	Per Cent of Total Manufac-turing	1988	Per Cent of Total Manufac-turing	1989	Per Cent of Total Manufac-turing	Change 1988–1989
	($ millions)		($ millions)		($ millions)		(per cent)
Wood	6,642	28.4	6,768	26.9	6,809	26.3	0.6
Paper and allied products	4,960	21.2	5,534	22.0	5,696	22.0	2.9
Food	2,879	12.3	2,824	11.2	2,789	10.8	−1.2
Refined petroleum and coal	1,596	6.8	1,494	5.9	1,519	5.9	1.7
Primary metals	883	3.8	1,484	5.9	1,416	5.5	−4.6
Fabricated metal products	1,087	4.7	1,211	4.8	1,377	5.3	13.7
Transportation equipment	882	3.8	916	3.6	936	3.6	2.2
Printing and publishing	766	3.3	825	3.3	875	3.4	6.1
Chemicals and chemical products	729	3.1	789	3.1	805	3.1	2.0
Machinery (except electrical machinery)	538	2.3	612	2.4	670	2.6	9.5
Non-metallic mineral products	541	2.3	608	2.4	641	2.5	5.4
Beverages	490	2.1	522	2.1	563	2.2	7.9
Electrical and electronic products	386	1.7	480	1.9	519	2.0	8.1
Plastics	291	1.2	361	1.4	402	1.6	11.4
Furniture and fixtures	173	0.7	211	0.8	251	1.0	19.0
Clothing	193	0.8	196	0.8	218	0.8	11.2
Textile products	66	0.3	73	0.3	85	0.3	16.4
Primary textiles	14	0.1	13	0.1	11	0.0	−15.4
Other	258	1.1	275	1.1	295	1.1	7.3
Total	23,374	100.0	25,196	100.0	25,877	100.0	2.7

Source: Statistics Canada, Catalogue 31-001.
Note: Based on the 1980 Standard Industrial Classification.

Table A6.1
Summary of Major Tax Changes Effective in 1989 and 1990 (to October 1, 1990)

Employee Investment Act

- Effective for the 1989 and subsequent taxation year, a non-refundable Employee Investment Tax Credit was introduced. The credit is equal to 20 per cent of the cost of shares in approved Employee Share Ownership Plans and approved Employee Venture Capital Plans, to a maximum of $2,000 per year.

Home Owner Grant Act

- For 1989, the basic home owner grant paid to seniors, the disabled and recipients of war veterans allowance was increased to $700 from $630 and the basic grant for other homeowners to $430 from $380.
- In 1990, the basic grant rates for 1989 were continued and a supplementary grant was introduced. The supplementary grant equals 25 per cent of the amount by which a homeowner's regular school taxes (not including taxes resulting from a referendum approval) exceed his or her maximum possible basic home owner grant of $700 or $430.

Hotel Room Tax Act

- Effective February 1, 1989, a 2 per cent additional hotel room tax is imposed in the City of Victoria.
- Effective August 1, 1989, a 2 per cent additional hotel room tax is imposed in the District of Oak Bay.
- Effective October 1, 1990, a 2 per cent additional hotel room rax is imposed in the District of Saanich.
- Revenue from the additional hotel room tax is used for local tourism promotion and projects.

Income Tax Act

- The renter's tax reduction has been enhanced for the 1990 taxation year. Renters are eligible for a maximum tax reduction of $225 per family member. Benefits are reduced by 3 per cent of net family income in excess of $10,000 plus: $4,000 for the first, $3,000 for the second, $2,000 for the third, and $1,000 for the fourth and each subsequent family member other than the taxpayer. The program will be phased out over the subsequent 4 years.

Indian Self Government Enabling Act

- Provisions are made offering native bands the choice of three methods of taxation on reserves while continuing to receive provincial or municipal services:
  - —concurrent taxation, in which the band adds its levy to a provincial or municipal tax notice, and other levies are reduced;
  - —independent band taxation, in which the band takes over all taxation, but collects sufficient funds to pay for outside services at agreed amounts; and
  - —Indian district taxation, in which a band incorporates as a municipal structure, assumes certain municipal responsibilities, and in turn receives municipal benefits such as revenue sharing grants.

Medical Services Act

- Effective April 1, 1989, Medical Services Plan premiums were increased to $62 per month for a family of three or more, to $55 for a family of two and to $31 for single subscribers. Effective January 1, 1989, and July 1, 1989, premium assistance for low-income subscribers was expanded in two steps.

Mineral Tax Act

- Effective April 1, 1990, a two stage cash flow tax was introduced to replace existing royalties on metal and coal mines. Tax rates for metal mines under the new tax are 2 per cent on operating cash flow and 13 per cent on total cash flow. Tax rates on coal mines are 7.5 per cent on operating cash flow and 17.5 per cent on total cash flow. In both instances, any tax paid on operating cash flow is fully creditable against tax on total cash flow.

Motor Fuel Tax Act

- Effective October 1, 1990, and subject to further indexing adjustment, the tax rate on clear unleaded gasoline is increased to 9.93 cents per litre.

Municipal Act

- Municipalities were granted the authority to add a parcel tax and to charge different rates on the land and improvement components of value, in addition to levying a single rate on assessed value. These measures provide municipalities with greater flexibility to respond to tax shifts caused by changing values.

Property Purchase Tax Act

- Effective March 31, 1989, tax was reduced for eligible purchasers of eligible residential property by 4 per cent of the difference between the amount of registered financing (to a maximum of 95 per cent of the fair market value of the property) and 75 per cent of the fair market value of the property.
- Effective April 20, 1990, the tax reduction program was enhanced for home buyers in the Greater Vancouver, Central Fraser Valley and Dewdney-Alouette Regional Districts.
- Effective August 18, 1990, and retroactive to March 23, 1987, the exemption for transfers of principal residences between related individuals was expanded.

School Act

- Residential school taxes are now set largely by the province, rather than by individual school boards. The 1990 tax rates for each school district are determined by the combined expenditures on basic and supplementary amounts in 1989, plus adjustments for changes in costs and enrolments. School boards may levy an additional tax on residential property if authorized by local referendum.

Social Service Tax Act

- Effective April 20, 1990, the exemption for disposable diapers designed for infants and young children was removed.
- Effective April 20, 1990, an exemption for biological control agents when purchased by farmers for farm use was introduced.
- Effective July 1, 1990, disposal levies of $3.00 per new vehicle tire and $5.00 per new lead-acid battery was introduced.

Taxation (Rural Area) Act

- Effective January 1, 1989, rural area tax rates on residential and recreational/non-profit organization property were increased to $2.30 per $1,000 of assessed value. Rates on light industry, major industry and business/other property were increased to $4.60 per $1,000 of assessed value.

Tobacco Tax Act

- Effective September 1, 1990, and subject to future indexing adjustments, the tax rate on cigarettes was increased to $1.59 per package of 25 cigarettes.
- Effective September 1, 1990, and subject to future indexing adjustments, the tax rate on loose tobacco products was increased to 4.9 cents per gram.

Tourist Accommodation (Assessment Relief) Act

- Effective January 1, 1989, tourist accommodation facilities received a deduction for property tax purposes equal to 50 per cent of their assessed value, up to a maximum deduction of $150,000 from assessed value, with a phase out of this exemption for properties valued over $2 million.

Table A6.2 Interprovincial Comparisons of Tax Rates, October 1, 1990

	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland
Provincial personal income tax (per cent of family income)[1]	8.0	7.7	9.7	8.8	8.2	10.8	9.3	9.2	8.8	9.6
Corporation income tax (per cent of taxable income)										
General rate	14	15	15	17	15.5	6.33	16	15	16	17
Small business rate	9	6	10	10	10	3.45	5	10	10	10
Corporation capital tax (per cent of taxable paid up capital)										
Non-financial corporations	*Nil*	*Nil*	0.5[2]	0.3	0.3[3]	0.52	*Nil*	*Nil*	*Nil*	*Nil*
Financial institutions	2.0[4]	2.0	3.0	3.0	0.8	1.04	3.0	3.0	2.5	3.0
Payroll tax (per cent)	*Nil*	*Nil*	*Nil*	2.25[5]	1.95[5]	3.45	*Nil*	*Nil*	*Nil*	1.5
Insurance premiums tax[6] (per cent)	2–3	2–3	2–3	2–3	2–3.5	2–3	2–3	3–4	3	4–12[7]
Gasoline tax[8] Cents per litre	9.93	7.0	10.0	9.0	12.4	14.4	11.2	10.7	11.3	12.4
Retail sales tax (per cent)	6	*Nil*	7	7	8	9	11	10	10	12
Tobacco tax (cents per package of 25 cigarettes)[9]	159	140	167	196	154	138	223	217	175	184

[1] Calculated for a wage earner with an income of $45,000 per year, a dependent spouse and two dependent children.
[2] Large Saskatchewan resource corporations are assessed a 2 per cent surcharge on the value of Saskatchewan resource sales.
[3] Lower rates for corporations with less than $2.3 million in taxable capital.
[4] British Columbia income tax paid may be deducted from corporation capital tax liability.
[5] Manitoba and Ontario give exemptions for small businesses.
[6] The lower rate applies to premiums for life, sickness and accident insurance; the higher rate applies to premiums for property insurance (excluding motor vehicles).
[7] Newfoundland sales tax is payable by the insuree on property insurance premiums.
[8] Tax rate is for regular unleaded fuel used on highways.
[9] Includes estimated provincial sales tax where applicable.

Table A6.3 Provincial Taxes

Type	Title and Statutory Reference	Tax Base	Tax Rate	Characteristics
Income	*Income Tax Act* (R.S.B.C. 1979, c. 190; 1980, c. 12, s. 7; 1980, c. 50, s. 46; 1981, c. 6; 1982, c. 18, c. 58; 1983, c. 18; 1984, c. 6, c. 13; 1985, c. 31, c. 37; 1986, c. 10, c. 11; 1987, c. 8; c. 43, s. 38–41; 1988, c. 14, c. 40; 1989, c. 5, c. 24, c.28, c. 50)	Net income: (1) Corporation	14% of taxable income (9% for small businesses)	Collected under agreement by Revenue Canada. Non-refundable renter's tax reductions; refundable venture capital tax credit for individuals, non-refundable venture capital tax credit for corporations; refundable employee investment tax credit for individuals; other non-refundable tax credits for claims against personal and corporate income tax include Logging Tax Credit, Provincial Political Contributions Tax Credit and Provincial Royalty Tax Rebate.
		(2) Personal	51.5% of basic federal tax payable	
Capital	*Corporation Capital Tax Act* (R.S.B.C. 1979, c. 69; 1980, c. 4; c. 36, s. 16; 1982, c. 6; c. 43, s. 8; 1983, c. 6, s. 1-2; 1985, c. 24; 1987, c. 4; c. 18, s. 1)	Taxable paid-up capital of banks and trust companies with taxable paid-up capital of $500 million or more.	Banks and Trust Companies: 2% if taxable capital exceeds $500 million	Exemptions—Provincial income tax paid is deductible from the tax, in effect making it a minimum tax for large deposit taking financial institutions.
Real Property Transfers	*Property Purchase Tax Act* (R.S.B.C. 1987, c. 15; c. 44, s. 37; c. 64; 1989, c. 9; c. 28; 1990, c. 12; c. 15, s. 3–5; c. 65, s. 1–6)	Fair market value of property or interest in property transferred	1% on the first $200,000 of value transferred and 2% on amounts in excess of $200,000	Numerous exemptions are provided, including the transfer of a principal residence, recreational residence or family farm to a related individual, an inter-spousal transfer of property pursuant to a written separation agreement or court order, transfers of property to local governments, transfers of property to registered charities and educational institutions, transfers of property to veterans under the *Veterans' Land Act* (Canada), and transfers of leases of less than 31 years' duration. A number of technical exemptions are also provided. The tax is reduced for eligible purchasers of eligible residential property where high-ratio financing is required to finance the purchase.
Retail sales	*Social Service Tax Act* (R.S.B.C. 1979, c. 388; 1980, c. 52; c. 10, s. 119; c. 49, s. 12; 1981, c. 8, c. 29; c. 15, s. 159–160; 1982, c. 39; 1983, c. 27; c. 6, s. 30–34; c. 20, s. 49–51; 1985, c. 32; 1986, c. 23, s. 16–22; 1987, c. 17; c. 18, ss. 15–20; 1988, c. 25; c. 45, s. 29–31; c. 46, s. 54; 1989, c. 13, c. 79; 1990, c. 14; c. 15, s. 6–14; c. 27,s. 10–17; c. 11, s. 109; c. 58, s. 20–22)	Purchase and lease price of tangible personal property	General rate 6% Liquor 10%	Collected through vendors and lessors registered under the act and paid by purchaser and lessees. The many exemptions generally fall into four categories: (1) items considered to be basic necessities of life such as food, children's clothing and prescription medicaments; (2) assistance to certain industries such as the exemption of special equipment used by *bona fide* farmers, fishermen and aquaculturists and the exemption of grinding media, explosives and drill bits used in mining; (3) safety related equipment such as high visibility vests, steel toed boots and life jackets; (4) energy conservation products including heat pumps, insulation material and wood stoves.
Accommodation	*Hotel Room Tax Act* (R.S.B.C. 1979, c. 183; 1981, c. 5, s. 31–32; c. 15, s. 103; 1982, c. 10, s. 12–22; 1983, c. 6, s. 13–16; 1984, c. 4; c. 26, s. 73; 1985, c. 27; 1986, c. 23, s. 6–8; 1987, c. 7; c. 18, s. 6; 1988, c. 45, s. 15; 1989, c. 1; 1990, c. 11, s. 65)	Purchase price of accommodation	8%. Eligible local governments may apply to have the province levy an additional tax of up to 2% in specified areas on their behalf	Exemptions include accommodations rented for a period in excess of two months; lodging provided in hospitals and nursing homes; lodging supplied to employees by employers, lodging on ships or trains, hotel rooms not used for accommodation; charges of $20 or less per day; charitable institutions; trailer parks and campsites; and establishments with accommodations for less than four tenants.
Tobacco	*Tobacco Tax Act* (R.S.B.C. 1979, c. 404; 1981, c. 5, s. 55–57; c. 15, s. 164; 1982, c. 29; 1983, c. 11; c. 6, s. 38–40; 1985, c. 33; 1987, c. 7; c. 18, s. 23; 1988, c. 28; c. 45, s. 32–33; 1989, c. 16; 1990, c. 15, s. 16)	By cigarette, cigar retail price, and weight on other tobacco products	6.36¢ per cigarette; 4¢ to 33¢ per cigar, 77% of retail price on cigars of more than 49¢ to a maximum tax of $2.50 per cigar; 4.9¢ per gram of loose tobacco	Tax rates on cigarettes and tobacco adjusted semi-annually, based on Vancouver consumer price index subcomponent for tobacco products. Rates quoted effective September 1, 1990.

Table A6.3 Provincial Taxes — *Continued*

Type	Title and Statutory Reference	Tax Base	Tax Rate	Characteristics
Motor fuel	*Motor Fuel Tax Act* (S.B.C. 1985, c. 76; 1986, c. 18; 1987, c. 13; 1988, c. 21; c. 45, s. 25–26; 1989, c. 8; 1990, c. 8; c. 15, s.2)			Tax rates are adjusted quarterly. All quoted rates effective October 1, 1990. The tax generally applies to all fuels used in internal combustion engines. Different tax rates apply to fuels used for different purposes. Compressed natural gas and propane used to propel motor vehicles are exempt. Disabled persons who drive their own vehicles are entitled to refunds of tax paid under the act.
		Clear gasoline (unleaded)	9.93¢ per litre	Tax rate is 22.5% of pretax retail price for gasoline.
		Clear gasoline (leaded)	11.93¢ per litre	Tax rate is the rate for unleaded gasoline plus 2¢ per litre.
		Motive fuel	10.37¢ per litre	Tax rate is the rate for unleaded gasoline plus 0.44¢ per litre. Tax applies to any fuel except leaded and unleaded gasoline, gasohol, natural gas, propane and butane used in a motor vehicle. Refunds are available for motive fuel used in private passenger vehicles.
		Coloured fuel, marine diesel fuel	3.09¢ per litre	Tax rate is 7% of pretax Vancouver retail price for gasoline. Coloured fuel may only be used for specified primary production and industrial uses.
		Aviation and locomotive fuel	3.09¢ per litre	Tax rate is 7% of pretax Vancouver retail price for gasoline. Tax applies to aviation fuel purchased or loaded into the fuel tank of an aircraft within British Columbia. Tax applies to locomotive fuel used within the province.
		Natural gas used in stationary engines	7% of purchase price if purchased, 1.1¢ per 810.32 litres if used but not purchased	Tax applies to natural gas used in stationary engines other than pipeline compressors.
		Natural gas used in pipeline compressors	1.1¢ per 810.32 litres	Tax applies to natural gas used in a stationary engine at a natural gas or oil pipeline compressor station.
		Marine bunker	7% of purchase price	Tax applies to bunker fuel, or a combination of bunker and other fuels used as fuel in a ship.
Race-meetings	*Horse Racing Tax Act* (R.S.B.C. 1979, c. 175; 1980, c. 19; 1982, c. 10, s. 9-10; 1986, c. 23, s. 4–5; 1987, c. 18, s. 5; 1988, c. 13)	Parimutuel betting pool	7%	Net provincial tax is 3/7 of total tax paid. 4/7 of total tax paid to increase purses, maintain a breeders incentive fund, make grants for breeders societies, operate race courses and horse racing meets, for equine health research, and for capital construction projects and related research costs.
Natural resources	*Logging Tax Act* (R.S.B.C. 1979, c. 248; 1981, c. 5, s. 36–38; 1982, c. 10, s. 26-27; 1983, c. 6, s. 19-20; 1984, c. 7, s. 15; 1986, c. 23, s. 11–13; 1987, c. 18, s. 11–12; 1989, c. 28)	Net income from logging	10% (Fully recoverable against federal and provincial corporation income tax)	Net income from logging after deducting investment and non-forestry income and a processing allowance.
	Mining Tax Act (R.S.B.C. 1979, c. 267; 1980, c. 12, s. 10-11; 1981, c. 5, s. 39–41; 1982, c. 10, s. 28-29; 1983, c. 6, s. 21-22; 1986, c. 23, s. 14–15; 1987, c. 18, s. 13–14; 1988, c. 20; 1989, c. 28, c. 55)	All income from mining operations if mining income exceeds $50,000	12.5%	Net income from mining after deducting investment and non-mining income and a processing allowance. Tax not applicable to petroleum, natural gas, or minerals taxed under the *Mineral Tax Act*.
	Mineral Land Tax Act (R.S.B.C. 1979, c. 260; 1980, c. 35; 1981, c. 19; c. 20; 1989, c. 55)	Assessed value of freehold mineral land and production tracts	Basic undesignated mineral land: 62¢–$2.47 per hectare Producing land: $12.50 per $1,000 of assessed value	Rates of tax set on sliding scale, dependent on amount and designation of land. The assessed value of production tracts is based on the value of mineral production from the tract in the previous year. Effective January 1, 1990 the tax on producing coal properties was replaced with the cash flow tax imposed under the *Mineral Tax Act*.

Table A6.3 Provincial Taxes — *Continued*

Type	Title and Statutory Reference	Tax Base	Tax Rate	Characteristics
	Mineral Tax Act (S.B.C. 1989, c. 55)	Cash flow from individual metal and coal mines. No tax paid on first $50,000	Metal Mines: • 2% operating cash flow • 13% total cash flow Coal Mines: • 7.5% operating cash flow • 17.5% total cash flow	Tax calculated on mine-by-mine basis. Tax paid on operating cash flow creditable against tax on total cash flow.
Insurance	*Insurance Premium Tax Act* (R.S.B.C. 1979, c. 205; 1980, c. 12, 5, 8, 9; 1981, c. 5, s. 34; 1982, c. 10, s. 24; 1983, c. 6, s. 17-18; c. 20, s. 27; 1985, c. 28; 1986, c. 13; 1987, c. 11; c. 18, s. 9–10; 1988, c. 15; 1989, c. 28)	Direct premiums written	4% for vehicle insurance; 3% for general insurance; 2% for life, sickness, personal accident and loss of salary and wages insurance. Marine pleasure craft premiums taxed at 3%	Exemptions — Benefit societies; mutual corporations with 50% of income from farm or 100% from religious, educational, or charitable institutions; marine, except pleasure craft; approved medical or hospitalization plans.
	Fire Services Act (R.S.B.C. 1979, c. 133; 1980, c. 13; 1981, c. 15, s. 95; 1982, c. 49; 1987, c. 18, s. 2–3; 1988, c. 15, s. 3)	Direct premiums written for fire hazard	1%	Exemptions — Insurance Corporation of British Columbia (basic automobile insurance only).
Real property	*Taxation (Rural Area) Act* (R.S.B.C. 1979, c. 400; 1980, c. 12, s. 17-18; c. 18, s. 21-22; c. 49, s. 14; 1981, c. 5, s. 52-54; 1982, c. 27-28; 1983, c. 24, s. 37; c. 6, s. 36-37; c. 20, s. 52; 1984, c. 25, s. 65; 1985, c. 20, s. 37, 38; 1987, c. 2, s. 4; c. 31; c. 18, s. 21–22; 1988, c. 27; 1989, c. 28, ss. 25, 26; 1989, c. 40, ss. 197, 198; 1989, c. 59, s. 37)	Assessed value of land and improvements in rural areas (outside municipalities). Assessment determined under *Assessment Act*	0.23% for residential, recreational property/non-profit organizations; 0.46% for utilities, major industry, light industry, business and other property not contained in any other class; 0.05% for farm and managed forest lands.	
Residential school tax	*School Act* (S.B.C. 1989, c. 61)	Assessed value of residential land and improvements. Assessment determined under *Assessment Act*	Varies between school districts; typically about 0.7%	Basic rate determined by provincial order in council. School district may levy additional tax rate if authorized by local referendum.
Non-residential school tax	*School Act* (S.B.C. 1989, c. 61)	Assessed value of non-residential land and improvements. Assessment determined under *Assessment Act*	1.6% for utilities; 1.34% for light industry, major industry, business and other property not contained in any other class; 0.67% for farm, recreational property, non-profit organizations; 1.2% for unmanaged forest; 0.6% for managed forest land.	

Table A6.4 Major Provincial Programs for Local Government

Type	Statutory Reference	Basis	Rate	Remarks
PROVINCIAL GOVERNMENT PROPERTY				
Provincial government property grant	*Municipal Aid Act*	Assessed value of improved properties	The individual tax rates of the municipality and regional district containing the property	Grants in lieu of taxes
REVENUE SHARING				
Unconditional municipal grant	*Revenue Sharing Act*	Municipal population, expenditure and assessment	80 per cent of available funds distributed on a per capita basis; 20 per cent in proportion to expenditure and assessment	Largest single source of municipal grants
Basic municipal grant	*Revenue Sharing Act*	Municipal status	$50,000 minimum per municipality; $100,000 maximum	Unconditional
Water facilities assistance (old)	*Revenue Sharing Act*	Local area taxable capacity	75 per cent of excess annual debt-servicing cost over a basic 2½ mill real property tax levy	Grants continuing until expiry of approved debt
Sewerage facilities assistance (old)	*Revenue Sharing Act*	Local area taxable capacity	75 per cent of excess annual debt-servicing cost over a basic 2½ mill real property tax levy	Grants continuing until expiry of approved debt
Water facilities assistance (new)	*Revenue Sharing Act*	Capital cost of approved projects	25–50 per cent of approved costs, subject to other limits and high cost grant	Replaced "old" program in 1983
Sewerage facilities assistance (new)	*Revenue Sharing Act*	Capital cost of approved projects	25–50 per cent of approved costs, subject to other limits and high cost grant	Replaced "old" program in 1983
Major municipal highway grants	*Revenue Sharing Act*	Approved construction or acquisition costs	50 per cent of shareable costs	Designed to promote transportation networks and associated land use; annual ceiling of $15 million
Municipal planning grants	*Revenue Sharing Act*	Approved costs for plan preparation	Amount varies according to approved planning costs	Annual ceiling of $2 million
Regional district basic grant	*Revenue Sharing Act*	Regional district status	$50,000 per regional district	Unconditional
Regional district administration grant	*Revenue Sharing Act*	Regional district status	$50,000 per regional district	Unconditional
Regional district planning grant	*Revenue Sharing Act*	Approved costs for plan preparation	Amount varies according to approved planning costs	Annual ceiling of $1 million
Restructuring assistance	*Revenue Sharing Act*	Restructure studies and grants	Amount varies according to policing costs, property taxation and per capita grant	Annual ceiling of $6 million
Transmission line assistance	*Revenue Sharing Act*	Approved costs for installing existing utility lines underground	Cost shared equally between province, municipality and utilities	Designed to promote urban beautification; annual ceiling of $1 million
Infrastructure study grants	*Revenue Sharing Act*	Approved sewer and water study costs	100 per cent of first $5,000; 50 per cent for the next $10,000 to a maximum of $10,000	Assists with capital works evaluation
Stabilization	*Revenue Sharing Act*	Special account for grant stabilization	Annual contribution based on formula to an account maximum of $40 million	Established to reduce the impact of provincial revenue fluctuations on grant programs

Table A6.4 Major Provincial Programs for Local Government — *Continued*

Type	Statutory Reference	Basis	Rate	Remarks
Health Equalization Grant	*Revenue Sharing Act*	Approved program costs	Based on recommendations of the Ministry of Health	Establish equity with other regional health programs
Police Equalization Grant	*Revenue Sharing Act*	Approved program costs	Based on recommendations of the Ministry of Solicitor General	Provide funding for the first 5,000 people for municipalities with their own police force
Local Government Emergency Account	*Revenue Sharing Act*	Degree of economic distress	Amount will vary according to need	Annual ceiling of $10 million

Table A7.1 Major Provincial Programs for People (at October 1, 1990)

Type	Statutory Reference	Basis	Rate	Remarks
EDUCATION PROGRAMS				
Public schools	*School Act*	Approved operating and capital costs of each school district	(a) Under the *School Act*, introduced in 1989 and amended in 1990, the province pays a grant to each school district covering all costs of the schools block operating allocation. The block allocations are determined annually based on enrolments, approved levels of services and variations in the cost of delivering educational programs. A school district may raise additional funding through local residential taxation by introducing a referendum which must be approved by a majority of persons who cast valid ballots (b) The *School Act* (1989) provides for provincial payments to schools for debt servicing of eligible capital project costs using the same formula outlined for operating expenses. The *School Act* provides for phasing in of this new debt servicing formula over a period of three years.	Statutory levy on non-residential property is determined annually.
Independent schools	*Independent School Act*	Operating support contributions (number of students and type of school and program)	Based on 50 per cent (Group 1), 35 per cent (Group 2) and 10 per cent (Group 3) of the public school per pupil operating cost	
Universities	*University Act*	Operating contributions	(a) Contributions for operating expenses approved by the Ministry of Advanced Education, Training and Technology	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of certain equipment items	
Colleges and Provincial Institutes	*College and Institute Act*	Operating contributions (number of students and type of program)	(a) Contributions for operating expenses approved by the Ministry of Advanced Education, Training and Technology	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of minor capital items	
British Columbia Institute of Technology	*Institute of Technology Act*	Operating contributions (number of students and type of program)	(a) Contributions for operating expenses approved by the Ministry of Advanced Education, Training and Technology	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of minor capital items	
Student Financial Assistance	*College and Institute Act*	Need	Loans repaid above $12,000 for a first degree and above $16,000 for a second degree; loans and grants provided up to $6,800 per year for students without dependents and up to $10,200 for students with dependents; other special assistance programs are also available	
Open Learning Agency	*Open Learning Agency Act*	Operating contributions	(a) Contributions for operating expenses approved by Ministry of Advanced Education, Training and Technology	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of certain equipment items	
EMPLOYMENT AND TRAINING PROGRAMS				
Employment/Training Programs	*Apprenticeship Act*	Need for employment-related training	Province administers various programs that encourage, initiate and develop employment and training through financial assistance; provide consulting support for employers; and provide vocational counselling and job-related services for employees and the unemployed	
Employment/Training Programs purchased by the federal government	*College and Institute Act*	Need for additional employment-related training	Full tuition provided to participants eligible under the Canada Jobs Strategy Program	Province recovers the full cost of training up to a predetermined ceiling from the federal government under the Canada-British Columbia Agreement on Training
Vocational Rehabilitation Programs		Need for vocational rehabilitation	Province administers programs that assist persons with medical or physical disabilities in obtaining employment or entry level training	Province recovers 50 per cent of the cost of service from the federal government under the Vocational Rehabilitation for Disabled Persons Agreement
HEALTH PROGRAMS				
Hospital care (including construction and equipment)	*Hospital Insurance Act*	In-patient care (includes acute, rehabilitation and extended care)	Payment of direct operating contributions to hospitals for care of all qualified provincial residents	Patient charge of $20.90 *per diem* (adjusted quarterly) as of May 1, 1990 for extended care (not applicable for persons under the age of 19).
		Out-patient care	Payment made for a wide range of services, including day-care surgery	
		Hospital equipment	Contributions of 33 to 100 per cent on major movable depreciable equipment	
	Hospital District Act	Approved capital costs	60 per cent of debt service costs for approved construction and fixed equipment up to an amount equalling a levy, as prescribed in the act, on the net taxable value of land and improvements, plus 60 per cent of any remaining expense	

Table A7.1 Major Provincial Programs for People (at October 1, 1990) — *Continued*

Type	Statutory Reference	Basis	Rate	Remarks
Continuing care				
(A) Residential care	*Community Care Facility Act*	Need	Individual pays 85 per cent of the OAS/GIS rate *per diem* for basic accommodation; province provides the balance	Includes private hospitals, community care facilities and extended care hospitals.
(B) Home care				
(a) Home nursing care and home preparation		Need	Province pays 100 per cent	
(b) Homemaker services	*Guaranteed Available Income for Need Act*	Need	User charge levied based on income	Province pays up to 100 per cent (including federal government contributions minus the user contribution).
Medical services	*Medical Service Act*	Premium rates	Medical services plan monthly premiums effective April 1, 1989, are: $31 per single person, $55 per family of two and $62 per family of three or more	
		Income or need	Subsidies of medical care premiums are provided based on 1989 adjusted net family income with a 95 per cent subsidy for adjusted family income of $9,000 or less; 75 per cent for incomes between $9,001 and $11,000; 55 per cent for incomes between $11,001 and $13,000; 35 per cent for incomes between $13,001 and $15,000; and 15 per cent for incomes between $15,001 and $17,000.	
Ambulance service	*Health Emergency Act*	Transportation, resuscitation and advanced life support	Net cost paid by province	Patient (resident of province) charged fee of $40 plus 45 cents per kilometre over 40 kilometres, up to a maximum $238 as of April 1, 1990.
Pharmacare	*Guaranteed Available Income for Need Act*	Age or income	(a) Free prescription drugs for persons aged 65 and over, long-term care residents and unemployable and disabled GAIN clients; persons aged 65 and over pay 75 per cent of dispensing fees to an annual maximum of $125 after which full benefits are provided by Pharmacare (b) 80 per cent subsidy of prescription costs over $325 for a family or for a single person in each calendar year; maximum liability of an individual or family is $2,000 per year (c) Provides subsidies to patients who, because of their medical condition, require oxygen in their homes	Province pays 100 per cent (including federal contribution).
PROPERTY TAX RELIEF PROGRAMS				
Grant applied against homeowner property tax	*Home Owner Grant Act*	Per eligible homeowner	Basic grant of $430 plus additional $270 for homeowners 65 and over, for recipients of war veterans allowance and for eligible disabled persons Supplemental home owner grant of up to $1,000; reduces the portion of 1990 school taxes above the maximum basic grant, if any, by 25 per cent	Minimum tax payable is $350, $100 if eligible for additional grant; applies first to school taxes; supplemental grant may reduce net tax below minimum.
Real property tax deferment	*Land Tax Deferment Act*	Per resident homeowner age 60 or over, widowed spouse, disabled	Deferment of 100 per cent of net property tax	Deferred taxes allowed only where property is owner-occupied; mobile homes may also qualify.
HOUSING PROGRAMS				
Social Housing Program	*Ministry of Social Services and Housing Act*	Income and housing need	Rent is subsidized to 30 per cent of income of residents in units operated by BCHMC and designated units in non-profit and private-market housing	
B.C. Home Mortgage Assistance Program	*Mortgage Assistance Program Act*	Home cost and residency	Provincial government guarantee of up to $12,000 providing applicant has not benefited previously	Application must be made when arranging mortgage financing; program is offered through participating financial institutions; available for new or existing housing $100,000 or less in value.
Special Purpose Housing	*Ministry of Social Services and Housing Act*	Temporary shelter and housing for disabled persons requiring nursing and intermediate care	Mortgage interest written down to 2 per cent	Operating subsidies are provided by the Ministries of Health and Social Services and Housing.
Property purchase tax relief	*Property Purchase Tax Act*	Home price, residency, high-ratio financing, principal residence	Property purchase tax reduced by 4 per cent of the difference between the amount of registered financing and 75 per cent of the property's fair market value	Applicable to home purchases valued at $200,000 or less in the Greater Vancouver, Central Fraser Valley and Dewdney-Alouette Regional Districts and $150,000 or less in all other areas of the province, where the purchaser does not have the ability to make a large down payment (i.e. in excess of 25% of purchase price); home buyer must have lived in British Columbia for one year.

Table A7.1 Major Provincial Programs for People (at October 1, 1990)— *Continued*

Type	Statutory Reference	Basis	Rate	Remarks
Renter's tax reduction	*Income Tax Act*	Income and need	Reduction of the lesser of 10% of annual rent or $225 per family member. Reduction is reduced by 3% for net family income in excess of $10,000 plus: $4,000 for the first, $3,000 for the second, $2,000 for the third, and $1,000 for the fourth and each subsequent family member other than the taxpayer	Credit is claimed at time of filing income tax return. Program is targeted at low-income families.
B.C. Rental Supply Program	*Ministry of Social Services and Housing Act*	Eligible rental housing projects determined by proposal call	5-year mortgages at below market rates down to 8 per cent	Mortgage must be arranged through participating financial institutions; a specified amount of equity is required.
Land acquisition	*Ministry of Lands, Parks and Housing Act*	Eligible rental housing projects determined by proposal call	Lease of lands owned directly or indirectly by the province; property purchase tax forgiven	Sales conditional on the development of rental housing; province will share revenues of sales with municipalities participating in program.
Start-up grant for non-profit seniors' housing	*Ministry of Lands, Parks and Housing Act*	Non-profit societies by application	Start-up grants of $20,000 per eligible project	To assist non-profit societies initiate unsubsidized seniors' rental housing projects.
INCOME ASSISTANCE AND SOCIAL PROGRAMS				
Income assistance (social allowance, age benefits and supplement to old-age security, and disabled persons' income assistance)	*Guaranteed Available Income for Need Act*	Income and need	Benefits are determined by factors such as family size and employability	Province pays 100 per cent of allowance and recovers 50 per cent in federal contributions in most cases.
		Disability and need	Benefits effective August 1, 1990 are: single disabled person, $694 monthly maximum; couple, with one person disabled, $1,031 monthly; couple, both persons disabled, $1,175	Province pays 100 per cent of cost and recovers 50 per cent in federal contributions in most cases.
Elderly renters' assistance	*Shelter Aid for Elderly Renters Act*	Tenants age 60 and over and in financial need	Monthly payments for those who pay more than 30 per cent of income on rent	Maximum claimable rents are $575 per month for a couple, $520 per month for a single person and $885 per month for those who share.
Health care services	*Guaranteed Available Income for Need Act*	Need	Comprehensive health care to some recipients of income assistance and to children in care	Province pays 50 to 100 per cent, depending on the type of expenditure and the amount of federal contribution.
Services for the mentally disabled	*Guaranteed Available Income for Need Act*	Income or need	Institutional and community-based residential care, achievement centres, community living skills, work placement	Province pays up to 100 per cent according to type of expenditure (including federal contribution).
Family support homemaker services	*Guaranteed Available Income for Need Act*	Need	Temporary homemaker services for families and individuals	Province pays up to 100 per cent (including federal contribution).
Child day care and special-needs day care	*Guaranteed Available Income for Need Act*	Income and need	Subsidy for each child	Province pays up to 100 per cent (including federal contribution).
		Approved emergency repair or relocation costs	Grants to non-profit daycare centres of up to $5,000	Province pays 100 per cent (including federal contribution).
Infant development program	*Guaranteed Available Income for Need Act*	Need	Fully subsidized	
Family and children's services (protection services, payments to foster, group and special care homes, special services to children, rehabilitation resources, Reconnect, family support, Families First, At Home, homemaker services and adoption programs)	*Family and Child Service Act* *Adoption Act*	Need and/or income	(a) Foster care rates effective June 1, 1990: $291.18 to $428.41 per month according to age; special rates for authorized care or services (b) Other services provided through contracts, subsidy to parents, or contributions to a community agency	Province pays up to 100 per cent according to type of expenditure (including federal contribution).
Community projects	*Guaranteed Available Income for Need Act*	Approved operating costs	Contributions for various community-based projects and services, including crisis centres, family support and counselling, youth programs, programs for the disabled, volunteer bureaus and multi-service agencies	Province pays 100 per cent (including federal contribution).
Assistance to Employment (incentive allowance, employment opportunity program, community tourism employment training program, environment youth program, job action, work clothing and transportation, education and training assistance, work activity projects and employment incentives for the disabled)	*Guaranteed Available Income for Need Act*	Income and Need	Assistance and incentives vary among programs	Various forms of incentives and assistance to prepare income assistance recipients for return to work.

Table A7.1 Major Provincial Programs for People (at October 1, 1990) — *Continued*

Type	Statutory Reference	Basis	Rate	Remarks
OTHER PROGRAMS				
Highways	*Highway Act*	Provincial highways in municipalities	Arterials (curb-to-curb), 100 per cent; secondary, 50 per cent for capital works, 40 per cent for maintenance	
Urban transit	*British Columbia Transit Act*	Planning and funding of transit services	Shared-cost formula with users, the province and contributing municipalities	
Library grants	*Library Act*	Population served; type of library and level of local support	Rates are established annually	
Provincial guaranteed debt			Guarantees for debt of municipalities and other local entities for water, sewerage, drainage, schools, post-secondary institutions, hospitals, etc.	Province provides grants covering specified portion of debt-service costs.

Table A8.1 Major British Columbia Crown Corporations and Agencies

Corporate Entity	Statutory Authority	Minister Responsible	Functions
Commercial:			
British Columbia Hydro and Power Authority	*Hydro and Power Authority Act*	Minister of Energy, Mines and Petroleum Resources	Generation, transmission and distribution of electricity.
British Columbia Lottery Corporation	*Lottery Corporation Act*	Provincial Secretary	Development, conduct and management of lottery operations on behalf of the provincial government and in conjunction with the governments of other provinces.
British Columbia Petroleum Corporation	*Petroleum Corporation Act*	Minister of Energy, Mines and Petroleum Resources	Provision of administrative services under the *Petroleum Corporation Act* and *Natural Gas Price Act.*
British Columbia Railway Company	*British Columbia Railway Act*	Minister of Transportation and Highways	Operation of railway.
British Columbia Steamship Company (1975) Ltd.	*Ministry of Transportation and Highways Act; Canada Corporations Act*	Minister of Tourism	Own and operate gaming concessions on board vessels operated by B.C. Stena Line Ltd.
Insurance Corporation of British Columbia	*Insurance Corporation Act*	Solicitor General	Provision of automobile insurance.
Liquor Distribution Branch	*Liquor Distribution Act*	Minister of Labour and Consumer Services	Purchase, distribution and sale of beverage alcohol products.
Economic Development:			
British Columbia Ferry Corporation	*Ferry Corporation Act*	Minister of Transportation and Highways	Operation of coastal ferry service.
British Columbia Hazardous Waste Management Corporation	*Hazardous Waste Management Corporation Act*	Minister of Environment	Development of an integrated hazardous waste management system.
British Columbia Pavilion Corporation	*British Columbia Place Act*	Minister of Tourism	Management of public facilities including the Vancouver Trade and Convention Centre and the British Columbia Place Stadium.
British Columbia Trade Development Corporation	*Trade Development Corporation Act*	Minister of International Business and Immigration	Assist British Columbia businesses to export goods and services.
British Columbia Transit	*British Columbia Transit Act*	Minister of Transportation and Highways	Provision and maintenance of public transportation systems.
Okanagan Valley Tree Fruit Authority	*Okanagan Valley Tree Fruit Authority Act*	Minister of Agriculture and Fisheries	Assist British Columbia orchardists to revitalize the industry.
Social and Government Services:			
British Columbia Assessment Authority	*Assessment Authority Act*	Minister of Municipal Affairs, Recreation and Culture	Assessment of all real property within the province for taxation purposes.
British Columbia Buildings Corporation	*British Columbia Buildings Corporation Act*	Minister of Government Management Services and Minister Responsible for Women's Programs	Provision of accommodation for government ministries and certain government entities.
British Columbia Educational Institutions Capital Financing Authority	*Educational Institution Capital Finance Act*	Minister of Finance and Corporate Relations	Provision of capital funds required by universities, colleges and institutes.
British Columbia Housing Management Commission	*Ministry of Social Services and Housing Act*	Minister of Social Services and Housing	Management of provincial and federal-provincial housing units and administration of rent supplement programs.
British Columbia Regional Hospital Districts Financing Authority	*Hospital District Finance Act*	Minister of Finance and Corporate Relations	Provision of capital funds required by regional hospital districts.
British Columbia School Districts Capital Financing Authority	*School District Capital Finance Act*	Minister of Finance and Corporate Relations	Provision of capital funds required by school districts.
British Columbia Systems Corporation	*System Act*	Minister of Government Management Services and Minister Responsible for Women's Programs	Provision of data processing services for government ministries and certain government entities.
Provincial Capital Commission	*Capital Commission Act*	Minister of Finance and Corporate Relations	Protection and enhancement of the Capital Improvement District and management of properties under the commission's control.
Provincial Rental Housing Corporation	*Ministry of Social Services and Housing Act; Company Act*	Minister of Social Services and Housing	Holding of all public housing units and some non-profit housing projects.

APPENDIX 9

LIEUTENANT GOVERNOR, EXECUTIVE COUNCIL AND MEMBERS OF THE THIRTY-FOURTH LEGISLATIVE ASSEMBLY (at October 1990)

LIEUTENANT GOVERNOR

His Honour the Honourable David C. Lam, C.M., K.St.J., B.A., M.B.A., LL.D.

EXECUTIVE COUNCIL

Premier and President of the Executive Council	Honourable William N. Vander Zalm
Deputy Premier and Minister of Transportation and Highways	Honourable Rita M. Johnston
Attorney General (Acting)	Honourable Russell G. Fraser
Minister of Finance and Corporate Relations	Honourable Melville B. Couvelier
Minister of Advanced Education, Training and Technology	Honourable W. Bruce Strachan
Minister of Agriculture and Fisheries	Honourable John Savage
Minister of Crown Lands	Honourable Dave Parker
Minister of Education	Honourable Anthony J. Brummet
Minister of Energy, Mines and Petroleum Resources	Honourable John Davis, P.C.
Minister of Environment	Honourable John D. Reynolds
Minister of Forests	Honourable Claude Richmond
Minister of Government Management Services and Minister Responsible for Women's Programs	Honourable Carol Gran
Minister of Health and Minister Responsible for Seniors	Honourable John Jansen
Minister of International Business and Immigration	Honourable Elwood N. Veitch
Minister of Labour and Consumer Services	Honourable Norman Jacobsen
Minister of Municipal Affairs, Recreation and Culture	Honourable Lyall Hanson
Minister of Native Affairs	Honourable Jack Weisgerber
Minister of Parks	Honourable Ivan Messmer
Provincial Secretary	Honourable Howard Dirks
Minister of Regional and Economic Development	Honourable Stanley B. Hagen
Minister of Social Services and Housing (Acting)	Honourable Norman Jacobsen
Solicitor General	Honourable Russell G. Fraser
Minister of Tourism	Honourable Clifford C. Michael

PARLIAMENTARY SECRETARIES

Minister of Environment	Clifford Serwa
Minister of Finance and Corporate Relations	James T. Rabbitt
Minister of Forests	Harold Long
Minister of Health and Minister Responsible for Seniors and Minister of Municipal Affairs, Recreation and Culture	Nick Loenen
Minister of International Business and Immigration	Angus Ree
Minister of Regional and Economic Development and Minister of Transportation and Highways	Larry Chalmers
Minister of Regional and Economic Development	Harry De Jong
Minister of Regional and Economic Development	Dan Peterson

THIRTY-FOURTH LEGISLATIVE ASSEMBLY

Premier: Honourable William N. Vander Zalm

Speaker: Honourable C. Stephen Rogers

Leader of the Opposition: Michael Harcourt

Deputy Speaker: F. C. Austin Pelton

Clerk of the Legislative Assembly: Ian M. Horne, Q.C.

Sergeant-at-Arms: R. A. Nicol

Barlee, Bill N. L.	New Democrat	Boundary-Similkameen
Barnes, Emery O.	New Democrat	Vancouver Centre
Blencoe, Robin	New Democrat	Victoria
Boone, Lois	New Democrat	Prince George North
Bruce, Graham	Social Credit	Cowichan-Malahat

Brummet, Hon. Anthony J.	Social Credit	North Peace River
Cashore, John	New Democrat	Maillardville-Coquitlam
Chalmers, Larry	Social Credit	Okanagan South
Clark, Glen	New Democrat	Vancouver East
Couvelier, Hon. Melville B.	Social Credit	Saanich and the Islands
Crandall, Duane	Social Credit	Columbia River
Cull, Elizabeth	New Democrat	Oak Bay-Gordon Head
D'Arcy, Christopher	New Democrat	Rossland-Trail
Davidson, K. Walter	Social Credit	Delta
Davis, Hon. John, P.C.	Social Credit	North Vancouver-Seymour
De Jong, Harry	Social Credit	Central Fraser Valley
Dirks, Hon. Howard	Social Credit	Nelson-Creston
Dueck, Peter A.	Social Credit	Central Fraser Valley
Edwards, Anne	New Democrat	Kootenay
Fraser, Hon. Russell G.	Social Credit	Vancouver South
Gabelmann, Colin S.	New Democrat	North Island
Gran, Hon. Carol	Social Credit	Langley
Guno, Larry	New Democrat	Atlin
Hagen, Anita	New Democrat	New Westminster
Hagen, Hon. Stanley B.	Social Credit	Comox
Hanson, Gordon	New Democrat	Victoria
Hanson, Hon. Lyall	Social Credit	Okanagan North
Harcourt, Michael	New Democrat	Vancouver Centre
Huberts, Dr. Terry	Social Credit	Saanich and the Islands
Jacobsen, Hon. Norman	Social Credit	Dewdney
Jansen, Hon. John	Social Credit	Chilliwack
Janssen, Gerard	New Democrat	Alberni
Johnston, Hon. Rita M.	Social Credit	Surrey-Newton
Jones, Barry	New Democrat	Burnaby North
Kempf, Jack J.	Social Credit	Omineca
Loenen, Nick	Social Credit	Richmond
Long, Harold	Social Credit	Mackenzie
Lovick, Dale	New Democrat	Nanaimo
McCarthy, Grace M.	Social Credit	Vancouver-Little Mountain
Marzari, Darlene	New Democrat	Vancouver-Point Grey
Mercier, David	Social Credit	Burnaby-Edmonds
Messmer, Hon. Ivan	Social Credit	Boundary-Similkameen
Michael, Hon. Clifford C.	Social Credit	Shuswap-Revelstoke
Miller, Dan	New Democrat	Prince Rupert
Mowat, Douglas L., C.M.	Social Credit	Vancouver-Little Mountain
Parker, Hon. Dave	Social Credit	Skeena
Pelton, F. C. Austin	Social Credit	Dewdney
Perry, Dr. Thomas L., Jr.	New Democrat	Vancouver-Point Grey
Peterson, Dan	Social Credit	Langley
Pullinger, Jan	New Democrat	Nanaimo
Rabbitt, James T.	Social Credit	Yale-Lillooet
Ree, Angus	Social Credit	North Vancouver-Capilano
Reid, William E.	Social Credit	Surrey-White Rock-Cloverdale
Reynolds, Hon. John D.	Social Credit	West Vancouver-Howe Sound
Richmond, Hon. Claude	Social Credit	Kamloops
Rogers, Hon. C. Stephen	Social Credit	Vancouver South
Rose, Mark W.	New Democrat	Coquitlam-Moody
Savage, Hon. John	Social Credit	Delta
Serwa, Clifford	Social Credit	Okanagan South
Sihota, Moe	New Democrat	Esquimalt-Port Renfrew
Smallwood, Joan	New Democrat	Surrey-Guildford-Whalley
Smith, Stuart D. (Bud)	Social Credit	Kamloops
Strachan, Hon. W. Bruce	Social Credit	Prince George South
Vander Zalm, Hon. William N.	Social Credit	Richmond
Vant, Neil	Social Credit	Cariboo
Veitch, Hon. Elwood N.	Social Credit	Burnaby-Willingdon
Weisgerber, Hon. Jack	Social Credit	South Peace River
Williams, Robert A.	New Democrat	Vancouver East
Zirnhelt, David	New Democrat	Cariboo

CABINET COMMITTEE MEMBERSHIP

Planning and Priorities

Hon. William N. Vander Zalm (Chairman)
Hon. Melville B. Couvelier (Vice Chairman)
Hon. John Davis, P.C.
Hon. Stanley B. Hagen
Hon. John Jansen
Hon. Rita M. Johnston
Hon. John D. Reynolds
Hon. Claude Richmond
Hon. Elwood N. Veitch
Hon. Jack Weisgerber

Treasury Board

Hon. Melville B. Couvelier (Chairman)
Hon. John Jansen (Vice Chairman)
Hon. John Davis, P.C.
Hon. Russell G. Fraser
Hon. Carol Gran
Hon. Stanley B. Hagen
Hon. Lyall Hanson
Hon. Norman Jacobsen
Hon. Clifford C. Michael

Other Cabinet Committees

Members	Legislation and Regulations	Sustainable Development	Environment and Land Use	Social Policy	Native Affairs	Multi-culturalism	British Columbia Transit	Vancouver International Airport	Drug Abuse
Hon. Anthony J. Brummet				X		X			X
Hon. Melville B. Couvelier		X					X	X	
Hon. John Davis, P.C.		X	X				X		
Hon. Howard Dirks	X			X		X[1]			
Hon. Russell G. Fraser	X[1]			X	X		X	X	X[3]
Hon. Carol Gran	X			X		X[2]			
Hon. Stanley B. Hagen		X[1]						X	
Hon. Lyall Hanson		X	X		X	X	X[3]		
Hon. Norman Jacobsen				X[1]	X	X			X
Hon. John Jansen	X			X[1]			X	X[1]	X
Hon. Rita M. Johnston		X				X	X[1]	X	
Hon. Ivan Messmer	X	X	X						
Hon. Clifford C. Michael		X	X					X	
Hon. Dave Parker		X	X		X[3]				
Hon. John D. Reynolds		X[2]	X[1]		X	X		X	
Hon. Claude Richmond	X[3]	X	X						
Hon. John Savage		X	X[3]		X				
Hon. W. Bruce Strachan	X	X		X	X				X
Hon. William N. Vander Zalm									X[1]
Hon. Elwood N. Veitch		X						X[1]	
Hon. Jack Weisgerber		X[3]			X[1]				

[1] Chairman.
[2] Co-Chairman.
[3] Vice Chairman.

APPENDIX 10

THE MINISTRY OF FINANCE AND CORPORATE RELATIONS
(at November 1990)

Minister of Finance and Corporate Relations
The Honourable Mel Couvelier

Deputy Minister: Douglas H. Horswill

Executive Operations Coordinator: I. Edwards
Director, Communications (Acting): D. George
Director, Service Quality B.C.: F. Schmidt

Registries and Ministry Support Services Division
Executive Director: W. H. Bell

Directors:

- D. W. Boyd (Registrar General)
- T. Dagg (Chief Information Officer, Information Technology Management)
- G. D. Price (Human Resource Services)
- B. R. Sibley (Financial Services and Administration) (Acting)

The Registries and Ministry Support Services Division maintains a corporate registry and registries of personal property security interests and of manufactured homes. In addition, the division provides financial, administrative, technical and human resource services to the Ministry of Finance and Corporate Relations.

Economics and Policy Division
Assistant Deputy Minister: S. R. Hollett

Directors:

- A. Eastwood (Taxation and Intergovernmental Relations)
- E. Kozak (Strategic Analysis and Policy)
- L. McNabb (Fiscal and Economic Analysis)
- D. J. Perrin (Policy and Legislation)

The Economics and Policy Division is responsible for the development, review and analysis of the government's economic, fiscal, taxation and revenue policy, and for intergovernmental relations. It provides policy analysis and advice to the Minister of Finance and Corporate Relations respecting corporations law, personal property and security law, and financial institutions issues. The division is also responsible for the government's fiscal framework and annual budget speech, the ongoing monitoring of the government's fiscal position, and the preparation and analysis of revenue and economic forecasts. The division is the focal point in the ministry for policy development and the assessment of strategic priorities and is responsible for legislation governing financial and commercial activities in the province.

Government Personnel Services Division
Assistant Deputy Minister: G. Moser

Directors:

- R. McEachern (Labour Relations)
- W. Scale (Corporate Personnel Services)

The Government Personnel Services Division is the bargaining agent and the central personnel and labour relations arm of government under the direction of Treasury Board as set out in the *Public Service Labour Relations Act*. The division acts as a central agency in providing leadership and assistance to individual ministries and to government in human resource management, labour relations and negotiating activities.

Office of the Comptroller General
Comptroller General (Acting): A. J. Barnard
Deputy Comptroller General: A. J. Barnard

Directors:

- F. G. Hepburn (Executive Director, Internal Audit)
- A. R. Horner (Systems Support)
- J. Powell (Financial Management) (Acting)
- M. A. Petrie (Financial Disbursement Operations)
- A. C. Pickering (Government Payroll Office)
- V. A. Skaarup (Accounting and Reporting)

The Office of the Comptroller General establishes the accounting principles, policies and practices governing the accounts of the province, establishes the financial management control and reporting systems in use throughout government, and advises Treasury Board on all matters pertaining to government financial management policies and practices. The office maintains the central accounting, reporting and payment systems for the government and prepares the annual Public Accounts and related reports. In addition, the office advises and assists ministries in establishing and improving their accounting and control systems, provides an internal audit function for the independent review of the effectiveness and efficiency of financial control systems, and administers training programs in government financial management.

Planning and Statistics Division
Assistant Deputy Minister: I. McKinnon

Directors:

- T. G. Beynon (Statistics)
- N. J. Paul (Quantitative Analysis)

The Planning and Statistics Division provides the government with timely and reliable statistical information and provides quantitative tools of analysis for decision support. The division discharges the responsibilities of the Minister of Finance and Corporate Relations under the *Statistics Act*, and represents British Columbia in the National Statistical System.

Provincial Treasury
Assistant Deputy Minister: M. Costello

Directors:

- K. J. Davidson (Loan Administration)
- B. Eaton (Debt Management)
- D. G. Pearce (Investments)
- A. van Iersel (Banking/Cash Management)
- R. W. Vipond (Special Projects)

The Provincial Treasury is responsible for managing the financial assets and liabilities of the government. The Provincial Treasury assists the Minister of Finance and Corporate Relations by negotiating transactions to meet the funding requirements of the government and its corporations estimated at $2 billion in 1990/91. The Provincial Treasury manages assets valued in excess of $19.5 billion; forecasts, monitors and controls the annual cash flow of the General and Special Funds and trusteed funds; and manages over 2,200 government bank accounts.

Revenue Division
Assistant Deputy Minister: E. L. Munro

Directors:

- A. B. Carver (Income Taxation)
- C. Jongbloed (Surveyor of Taxes, Real Property Taxation)
- E. L. Munro (Revenue Administration) (Acting)
- E. J. Turner (Executive Director, Consumer Taxation)

The Revenue Division is responsible for the legislative interpretation and administration of 14 taxation statutes which are the responsibility of the Minister of Finance and Corporate Relations, and for the collection of annual tax revenues of over $3 billion. Included are statutes covering the taxation of goods sold to consumers, property taxation in rural areas of the province, provincial income and capital based taxes, and a property purchase tax. The division also has the responsibility of ensuring compliance under the *Income Tax Act* which is administered by Revenue Canada. Through vendor education, taxpayer audit and assessment, accounts receivable control and appropriate collections activities, revenue is maximized and taxpayer compliance is ensured.

Treasury Board Staff
Assistant Deputy Minister and
Secretary to Treasury Board: T. Vakil

Directors:

- M. Crowther (Government Estimates and Administrative Policy)
- P. Grewar (Risk Management)
- A. Kirkaldy (Social Policy)
- C. Trumpy (Economic Development Policy)

Treasury Board Staff is responsible for expenditure management and review, program evaluation and policy review, administrative policy, risk management, preparation of annual ministry estimates and ongoing budget monitoring with respect to financial and management matters affecting the government, provincial Crown corporations and the province. Advice and support is provided to the government in acquisition, allocation and management of resources for the purpose of meeting government priorities.

Financial Institutions Commission
Chairman: D. G. Parker

- A. Clark (Director, Investigation)
- J. Cook (Deputy Superintendent, Real Estate)
- R. J. Hobart (Superintendent of Financial Institutions)
- S. C. Miller (Deputy Superintendent, Insurance, Trusts and International Financial Business)
- F. Neville (Executive Director, Finance and Systems)
- W. Samler (Executive Director, Operations)

The Financial Institutions Commission (FICOM) is responsible for developing and maintaining a fair and effective regulatory environment for the financial services sector in the province. FICOM regulates this sector with the aim of enhancing the stability, efficiency and growth of the province's financial sector, while protecting the interests of the province.

Securities Commission
Chairman: D. Hyndman

Deputy Superintendents:

- D. Holley (Compliance and Enforcement)
- J. A. MacDonald (Director, Finance and Administration)
- J. Matier (Registration and Statutory Filings)
- W. Redwick (Corporate Finance)
- M. Sheehy (Exemptions and Orders)
- A. Wanstall (Policy and Legislation)

The Securities Commission ensures that investors have timely and reliable information necessary for informed investment decision-making and protects investors from fraud, misconduct or manipulation in the securities industry. The commission maintains standards of fair conduct in dealings with and among participants in the securities market and ensures policies and operations of the Vancouver Stock Exchange are open and efficient.

APPENDIX 11

GOVERNMENT AGENTS (at October 1990)

Government Agents Branch offices in 60 communities provide the public with a wide range of government services. In 25 locations, Government Agents offices provide a full range of motor vehicle services to the public. Services include: issuance of learner, renewal and replacement driver licences; and issuance of motor vehicle permits and insurance. Within the next year, four more motor licence offices will be integrated with Government Agents to enhance client service.

Access Centres combine the Government Agents offices and a number of ministries into a single facility to provide one-stop shopping service to the public. Access Centre objectives include:

- greater public access to frequently used government services;
- better hours of service, by providing lunch hour coverage for small operations; and
- lower costs, by making more effective use of accommodation and pooling of support staff.

Vital statistics services offered in the Government Agents Branch include birth, death and marriage certificates. Applications and payment for other vital statistics services, such as name changes and will searches, are also accepted by the branch. Government Agents also accept payments for court and other fines.

Government Agents can provide clients with access to databases covered by BC OnLine (Land Titles Registry, Personal Property Registry and Companies Registry). Government Agents are also able to obtain information on consumer tax, land tax, provincial voter lists, Medical Services Plan, Crown lands, B.C. Business Network, ICBC and driver licensing. The Government Agents Branch is the responsibility of the Ministry of Regional and Economic Development.

Location	Telephone	Government Agent	Location	Telephone	Government Agent
Ashcroft	453-2412	E. J. Johnstone	Merritt[1]	378-9343	G. Swan
Atlin[4]	651-7595	F. Jenkins	Nakusp	265-3646	J. D. Young
Bella Coola	799-5361	J. K. Foster	Nanaimo[1,4]	755-2200	V. J. Blue
Burns Lake	692-7117	E. Fukushima	Nelson[2,5]	354-6104	P. W. J. Lee
Campbell River[2,4]	286-7555	J. D. Mackenzie	New Westminster	660-8666	G. S. Townsend
Cassiar[4]	778-7507	W. Mercer	Oliver	498-3818	D. R. Blatchford
Chetwynd	788-2239	R. Woods	100 Mile House[3]	395-5595	J. E. Dunsmuir
Chilliwack[1,4]	795-8415	J. D. Hay	Penticton[4]	492-1211	J. W. Torrance
Clinton	459-2268	J. E. White	Port Alberni[4]	724-9200	J. Stanhope
Courtenay[2]	334-1100	D. Egeland	Port Hardy	949-6323	W. H. Newman
Cranbrook[1,4]	426-1211	W. R. Anderson	Powell River	485-2815	B. Johnston
Creston[3]	428-3211	E. Breitkreuz	Prince George[1,4]	565-6011	W. Christie
Dawson Creek[1,4]	784-2224	S. W. Minifie	Prince Rupert[4]	627-0415	E. Gower
Duncan[2,4]	746-1400	B. Johnston (Acting)	Princeton	295-6957	C. McEvoy
Fernie	423-6845	R. Jaskela	Queen Charlotte City[4]	559-4452	A. Hunter
Fort Nelson	774-6945	J. Hall	Quesnel[3,4]	992-4301	R. A. Campbell
Fort St. James	996-7585	B. L. Thomson	Revelstoke[4]	837-7636	P. Welock
Fort St. John[1,4]	787-3350	J. R. Frey	Rossland[2,5]	362-7324	R. Bender (Acting)
Ganges	537-5414	V. Bobroske	Salmon Arm[1]	832-1611	D. J. Koskimaki
Golden	344-7550	D. Hodgins (Acting)	Sechelt	885-5187	G. Swift
Grand Forks	442-5444	S. Matsuo	Smithers[2,4]	847-7207	D. G. McMillan
Houston	845-2990	P. Parish	Sparwood	425-6363	S. F. Arola
Invermere	342-4260	B. G. Mackenzie	Squamish	892-2400	D. L. Martin
Kamloops[4]	828-4540	W. Poohachoff	Stewart[4]	636-2294	L. Deacon-Rogers
Kaslo	353-2219	J. James	Terrace[1,4]	638-3200	R. A. Trombley
Kelowna[4]	861-7440	W. A. R. Tozer	Ucluelet	726-7025	J. Spalding
Kitimat	632-6188	G. Fox	Valemount	566-4448	L. Flavelle (Acting)
Lillooet	256-7548	R. E. Hall	Vanderhoof[2]	567-6301	W. J. Woolsey
Mackenzie	997-4270	L. Ehrman	Vernon[1,4]	549-5511	N. G. Schulz
Maple Ridge	467-6901	J. A. Lane	Williams Lake[1,4]	398-4211	J. H. Hoem

[1] Access Centre currently open.
[2] Access Centre scheduled to open before March 31, 1991.
[3] Access Centre planned for 1991/92.
[4] Government Agent currently provides motor vehicle services.
[5] Government Agent scheduled to integrate motor vehicle services within one year.

MINISTRY CONTACTS (at October 1990)

Further information on provincial government programs and services is available through the appropriate ministry contact listed below or through the local Government Agent office listed in Appendix 11.

Ministry and Branch	Address	Name of Contact and Position	Contact Telephone Number
BC OnLine	General Enquiries (Toll Free)	–	1-800-663-6102
Administration Office	4000 Seymour Place, Victoria, V8X 4S8	–	389-3232
Ministry of Advanced Education, Training and Technology			
Student Services Branch	823 Broughton Street, Victoria, V8W 1E5	M. Browning (Director)	387-6100
Job Training, Apprenticeship and Labour Market Policy Division	818 Broughton Street, Victoria, V8W 1E4	S. Clark (Director)	387-3380
Science and Technology Division	1022 Government Street, Victoria, V8V 1X4	T. Padmore (Director) C. Shantz (Director)	387-2034 387-3684
Universities and Provincial Institutes Branch	838 Fort Street, Victoria, V8V 1X4	J. Newberry (Director)	387-6166
College Programs and International Education Branch	838 Fort Street, Victoria, V8W 2Y5	A. Hamilton (Manager)	387-6199
Ministry of Agriculture and Fisheries	General Enquiries	–	387-5121
Farm Income and Crop Insurance	808 Douglas Street, Victoria, V8W 2Z7	R. N. Jarvin (Director)	356-1615
Financial Development Programs	808 Douglas Street, Victoria, V8W 2Z7	R. N. Kohlert (Director)	356-1828
Aquaculture and Commercial Fisheries	808 Douglas Street, Victoria, V8W 2Z7	J. D. Anderson (Director)	356-1608
Ministry of Attorney General	General Enquiries	–	387-4577
Ministry of Crown Lands	General Enquiries	–	387-1258
Ministry of Education	General Enquiries	–	387-4611
Communications Branch	620 Superior Street, Victoria, V8V 2M4	–	356-2500
Ministry of Energy, Mines and Petroleum Resources	General Enquiries	–	387-5178
Ministry of Environment	General Enquiries	–	387-1161
Recycling Hot Line	Lower Mainland Rest of Province (Toll Free)	– –	732-9253 1-800-667-4321
Financial Services Branch	810 Blanshard Street, Victoria, V8V 1X5	G. Farquhar (Manager)	387-7999
Water Management Branch	765 Broughton Street, Victoria, V8V 1X5	R. Round (Manager)	387-1183
Ministry of Finance and Corporate Relations	General Enquiries	–	387-9278
Ministry of Forests			
Forestry Division	595 Pandora Avenue, Victoria, V8W 3E7	J. R. Cuthbert (Chief Forester)	387-1296
Public Affairs Branch	595 Pandora Avenue, Victoria, V8W 3E7	L. Stringer (Director)	387-8486
Timber Harvesting Branch	1450 Government Street, Victoria, V8W 3E7	J. J. Juhasz (Director)	387-5291
Industry Development Branch	1450 Government Street, Victoria, V8W 3E7	R. Ennis (Director)	387-5111
Silviculture Branch	31 Bastion Square, Victoria, V8W 3E7	P. Ackhurst (Director)	387-8953
Research Branch	31 Bastion Square, Victoria, V8W 3E7	T. Baker (Director)	387-6720
Protection Branch	31 Bastion Square, Victoria, V8W 3E7	J. Dunlop (Director)	387-6368
Integrated Resources Branch	1450 Government Street, Victoria, V8W 3E7	J. Biickert (Director)	387-3900
Cariboo Forest Region	540 Borland Street, Williams Lake, V2G 1R8	M. Carlson (Regional Manager)	398-4389
Kamloops Forest Region	515 Columbia Street, Kamloops, V2C 2T7	F. A. Baxter (Regional Manager)	828-4121
Nelson Forest Region	518 Lake Street, Nelson, V1L 4C6	R. Tozer (Regional Manager)	354-6203
Prince George Forest Region	1011 Fourth Avenue, Prince George, V2L 3H9	K. Collingwood (Regional Manager)	565-6102
Prince Rupert Forest Region	Bag 5000, 3726 Alfred Avenue, Smithers, V0J 2N0	R. Friesen (Regional Manager)	847-7545
Vancouver Forest Region	4595 Canada Way, Burnaby, V5G 4L9	K. Ingram (Regional Manager)	660-7626
Ministry of Government Management Services and Minister Responsible for Women's Programs			
Office of the Deputy Minister	468 Belleville, Victoria, V8V 1X4	I. Kelly (Deputy Minister)	387-0413
Women's Programs	1809 Douglas Street, Victoria, V8T 4K5	P. Rafferty (Assistant Deputy Minister)	387-3613
	1111 Melville Street, Vancouver, V6E 2X5	J. Love (Supervisor)	660-6800

Ministry and Branch	Address	Name of Contact and Position	Contact Telephone Number
Communications and Special Projects	1809 Douglas Street, Victoria, V8T 4K5	C. Shearer (Manager)	387-3617
Policy, Planning and Research Services	1809 Douglas Street, Victoria, V8T 4K5	L. Siebold (Director)	356-8130
Programs	1809 Douglas Street, Victoria, V8T 4K5	D. Dunsmoor-Farley (Director)	356-7910
Ministry of Health	General Enquiries	—	387-3166
Medical Services Commission	1515 Blanshard Street, Victoria, V8W 3C8	B. Paine (Administrative Assistant)	387-1983
Institutional Services	1515 Blanshard Street, Victoria, V8W 3C8	J. Sedgewick (Administrative Assistant)	387-2242
Community and Family Health	1515 Blanshard Street, Victoria, V8W 3C8	S. Nantes (Administrative Assistant)	387-9375
Management Operations	1515 Blanshard Street, Victoria, V8W 3C8	K. Mackrill (Administrative Assistant)	387-4231
Ministry of International Business and Immigration	General Enquiries (Victoria)	—	387-4521
	General Enquiries (Vancouver)	—	844-1800
Ministry of Labour and Consumer Services			
Public Affairs Branch	1019 Wharf Street, Victoria, V8V 1X4	C. Rushforth (Public Information Officer)	387-3171
Ministry of Municipal Affairs, Recreation and Culture	General Enquiries	—	387-7912
Ministry of Native Affairs	General Enquiries	—	356-8281
Office of the Deputy Minister	712 Yates Street, Victoria, V8V 1X5	E. Denhoff (Deputy Minister)	387-8281
		T. Sheridan (Assistant Deputy Minister)	387-5393
Communications	712 Yates Street, Victoria, V8V 1X5	A. Mordan (Director)	356-9090
Finance and Administration	712 Yates Street, Victoria, V8V 1X5	S. Browning (Manager)	356-1799
Economic Development and First Citizens' Fund	712 Yates Street, Victoria, V8V 1X5	J. Morgan (Director)	356-8284
Natural Resource Management	712 Yates Street, Victoria, V8V 1X5	C. McNichol (Director)	356-8282
Self Government and Negotiations	712 Yates Street, Victoria, V8V 1X5	K. Speck (Director)	356-8699
Social Policy	712 Yates Street, Victoria, V8V 1X5	J. Moses (Acting Director)	387-5210
Premier's Council on Native Affairs and Heritage, Language and Culture Initiative	712 Yates Street, Victoria, V8V 1X5	J. Birch (Director)	356-8283
Land Claims Registry	712 Yates Street, Victoria, V8V 1X5	R. Montgomery (Acting Registrar)	387-0748
Ministry of Parks	General Enquiries	—	387-5002
Office of the Assistant Deputy Minister	4000 Seymour Place, Victoria, V8V 1X5	J. Masselink (Assistant Deputy Minister)	387-9997
South Coast Region	1610 Mount Seymour Road, North Vancouver, V5G 1L3	G. Trachuk (Regional Director)	929-1291
Southern Interior Region	101, 1050 West Columbia Street, Kamloops, V2C 1L4	T. O. Moore (Regional Director)	828-4501
Northern B.C. Region	308, 1011 Fourth Avenue, Prince George, V2L 3H9	S. Robertson (Regional Director)	565-6270
Ministry of Provincial Secretary	General Enquiries	—	387-1473
Ministry of Regional and Economic Development	General Enquiries (Toll Free)	—	1-800-972-2255
General Enquiries	712 Yates Street, Victoria, V8V 1X5	—	387-5018
	770 Pacific Boulevard South, Vancouver, V6B 5E7	—	660-3900
Vancouver Island/Coast Region	13 Victoria Crescent, Nanaimo, V9R 5B9	—	755-2200
Mainland/Southwest Region	100, 635 Columbia, New Westminster, V3M 1A7	—	660-6185
Thompson-Okanagan Region	3201 — 30th Street, Vernon, V1T 9G3	—	549-5593
Kootenay Region	310 Ward Street, Nelson, V1L 5S4	—	354-6113
Cariboo Region	1044 Fifth Avenue, Prince George, V2L 3H9	—	565-6998
	540 Borland Street, Williams Lake, V2G 1R8	—	398-4209
North Coast Region	102, 3220 Eby Street, Terrace, V8G 5K8	—	638-3570
Nechako Region	Bag 5000, 3703 Alfred Avenue, Smithers, V0J 2N0	—	847-7215
Northeast Region	125, 1201 — 103rd Avenue, Dawson Creek, V1J 4J2	—	784-2215
	10600 — 100th Street, Fort St. John, V1J 4L6	—	787-3222

Appendix 12: Ministry Contacts

Ministry and Branch	Address	Name of Contact and Position	Contact Telephone Number
Ministry of Social Services and Housing	General Enquiries	—	387-6485
Corporate Services Division	614 Humboldt, Victoria, V8V 1X4	F. Jeffries (Director)	387-4421
Income Assistance Division	614 Humboldt, Victoria, V8V 1X4	R. Willems (Director)	387-1486
Community Support Services Division	614 Humboldt, Victoria, V8V 1X4	P. Grant (Director)	387-1275
Housing Division	614 Humboldt, Victoria, V8V 1X4	J. Ratcliffe (Director)	387-7088
Family and Children's Services Division	614 Humboldt, Victoria, V8V 1X4	S. Veit (Director)	387-7057
Ministry of Solicitor General	General Enquiries	—	387-5259
Ministry of Tourism	General Enquiries	—	387-1428
	Toll Free Travel Information	—	1-800-663-6000
Ministry of Transportation and Highways	General Enquiries	—	387-3198

About this Publication

For the benefit of readers of the *Economic and Statistical Review*, here is some information on the team that put together this 50th edition.

This publication is a joint production of the Economics and Policy Division and the Planning and Statistics Division.

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Information was provided by Crown corporations and by ministries responsible for many of the programs as well as by many people in the Ministry of Finance and Corporate Relations. Mary brought this information together and did most of the editing of the text.

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The text was keyed into personal computers using IBM DisplayWrite4© and WordPerfect© word processing software. The charts were produced using Harvard Graphics© and Ventura Publisher©. The text was transferred on diskette to the Queen's Printer, while the charts were electronically transferred by modem to the Queen's Printer Bulletin Board.

A Linotronic 300 imagesetter produced all typesetting in Garamond and Helvetica typefaces; Bodoni Poster photo captions were used in Chapter 4. The text was printed on Island Hi-Lite Offset in black plus one PMS (Pantone Matching System) colour on 2-colour 36" Miller presses. Chapter 4 was printed in two PMS colours on Torchglow Opaque Desert Sand. The cover was printed on 12 point King James Cast Coated Cover in black plus two PMS colours and a full gloss varnish on a 28" Miehle press.

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Disk version of publication